

A G E N D A

A regular meeting of the Impact Fee Advisory Committee of the City of Waxahachie will be held on *Wednesday, March 6, 2019 at 1:00 p.m.* in the Council Conference Room, 401 S. Rogers, Waxahachie, Texas.

Board Members:

Rick Keeler, Chairman
Melissa Ballard
David Hill
Kevin Strength
Mike Ramsey
Jeff Frazier
Clyde Hargrove
John Houston
George Salvador
Brett Hess
Joe Rust

1. Call to Order
2. Approve minutes of Impact Fee Advisory Committee meeting of August 27, 2015
3. Presentation of the Five Year Impact Fee Summary Report
4. ***Public Comments:*** Persons may address the Impact Fee Advisory Committee on any issues. This is the appropriate time for citizens to address the Committee on any concern whether on this agenda or not. In accordance with the State of Texas Open Meetings Act, the Committee may not comment or deliberate such statements during this period, except as authorized by Section 551.042, Texas Government Code.
5. Adjourn

The Impact Fee Advisory Committee reserves the right to go into Executive Session on any posted item.

This meeting location is wheelchair-accessible. Parking for mobility impaired persons is available. Any request for sign interpretive services must be made forty-eight hours ahead of the meeting. To make arrangements, call the City Secretary at 469-309-4005 or (TDD) 1-800-RELAY TX

Notice of Potential Quorum
One or more members of the Waxahachie City Council may be present at this meeting.
No action will be taken by the City Council at this meeting.

Impact Fee Advisory Committee
August 27, 2015

A regular meeting of the Impact Fee Advisory Committee of the City of Waxahachie, Texas was held in the City Council Conference Room, 401 S. Rogers on Thursday, August 27, 2015 at 3:00 p.m.

Members Present: Jim Cooper, Chairman
Clyde Hargrove, Vice-Chairman
Jeff Frazier
Brett Hess
John Houston
Mike Ramsey
Joe Rust
George Salvador
Kevin Strength
Mark Singleton

Members Absent: Rick Keeler

Others Present: Paul Stevens, City Manager
Michael Scott, Assistant City Manager
Clyde Melick, Director of Planning
Jeff Chambers, Director of Public Works
Lori Saunders, City Secretary

Chairman Jim Cooper called the meeting to order.

Vice-Chairman Clyde Hargrove moved to approve the minutes of the Impact Fee Advisory Committee meeting of April 23, 2015. Mr. Brett Hess seconded, All Ayes.

Mr. Clyde Melick, Director of Planning, presented the semi-annual report on the Impact Fee Program. His memo serves as his report:

MEMORANDUM

TO: IMPACT FEE ADVISORY COMMITTEE
FROM: CLYDE MELICK, DIRECTOR OF PLANNING
DATE: August 25, 2015
SUBJECT: SEMI-ANNUAL REPORT ON THE COLLECTION OF IMPACT FEES AND PROGRESS OF THE CAPITAL IMPROVEMENTS PLAN

As required by law, the Impact Fee Advisory Committee must receive a semi-annual report with respect to the progress of the capital improvements plan and report to the City Council any

perceived inequities in implementing the plan or imposing the impact fee. This memo serves as the report.

In your capacity as the Impact Fee Advisory Committee, you should also advise the City Council of the need to update or revise the land use assumptions, capital improvements plan and the impact fee. This was done most recently as part of the update to our Water and Wastewater Impact fee and the adoption of the Roadway Impact fee. In 2003, it was recommended and adopted to increase the impact fee amount from 15% to 25%. The City began collecting the new amount on September 1, 2003. The city council choose to keep the collection amount at 25%. We began collecting roadway impact fees on lots platted previous to November 17th 2008, on November 17, 2009. We completed an update of the Impact Fee Program on October 21, 2013.

Impact Fee Rate and Amount Collected

The 25% collection rate that was adopted amounts to \$1,499.00 for water and \$1,987.00 for wastewater per service unit, this totals \$3,486.00. This amount replaces the 25% collection rate which was \$1,357.14 per service unit for the water impact fee and \$958.12 per service unit for the wastewater impact fee. You may recall that a service unit is based on a standard residential water meter. The impact fee amount increases based on the larger meter size. The roadway impact fee is determined based on service area as well as the Vehicle – Mile Equivalency table. The collection of roadway impact fees for single family dwellings was suspended until 2012. In August of 2012 this abatement program was discontinued.

Roadway Impact Fees

The amount collected since the inception of impact fees is as follows:

Service Area 1	Service Area 2	Service Area 3	Service Area 4	Service Area 5	Service Area 6	Service Area 7
\$184,545.00	\$1,638,594.62	\$26,279.04	\$177,224.08	\$195,039.78	\$76,815.45	\$157,730.12

At this time we have reimbursed the city for capital outlays on three capital projects. These are the rebuilding of Broadhead Road in Service Area 5, for \$25,821.00, Stadium Drive \$29,563.00 in Service Area 4, and Parks School House Road in Service Area 6. From 2009 till 2012 the city has abated over \$400,000.00 in Roadway Impact Fees for single family dwellings. This program ended in October 2012. The City has begun engineering on the East-West Connector between Hwy 77 and FM 813. This road is in Service Area 2 and is estimated to cost \$3.2 million dollars. The city has and is reviewing 90% engineered plans on this roadway. We have also begun the dirt work on this road. We are almost all through our second year of the escalated collection rate for Service Areas 3, 4 and 7, in October we will be collecting the full amount.

Water and Wastewater Impact Fees

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
04/01/2015 - Current	\$280,462.00	\$370,055.00	\$650,517.00
10/31/2014 – 04/01/2015	\$180,629.50	\$244,560.00	\$425,189.50
2014	\$197,118.00	\$288,788.75	\$485,907.25
2013	\$433,211.00	\$570,205.00	\$1,003,416.00
2012	\$345,155.00	\$415,202.00	\$760,357.00
2011	\$173,134.50	\$218,757.00	\$391,891.50
2010	\$338,502.00	\$393,880.00	\$732,383.00
2009	\$521,623.00	\$383,341.00	\$895,964.00
2008	\$825,567.64	\$485,543.62	\$1,311,111.26
Total since Adoption	\$5,887,615.83	\$4,705,408.78	\$10,593,024.61

As the economy has picked up so have home permits, commercial permits and overall growth. This growth will help fuel all of these funds to allow us to continue to build the Capital Improvements Plan.

Capital Improvements Plan

Since the adoption of impact fees, several impact fee projects that are listed on the Capital Improvements Plan (CIP) have recently been completed or are currently under construction. Currently a large portion of the impact fees we are collecting are helping to fund our debt service on various Capital Improvement Projects. Past and current capital improvement projects are as follows:

Water System Improvements

- 287 Water Improvements engineering has begun
- Baylor Offsite Water Line
- Ph II Sokoll Water Transmission Line – Under Construction
- Cosmotel Water Line upsize -Complete
- Indian Tower Pump Station and Ground Storage – Complete
- 18” Offsite Water Line from Indian Tower to Brown Street/287 Bypass - Complete
- Bardwell Water Line direct connection to Lake Waxahachie Raw Water Pump Station Number 1 - Complete
- Water Treatment Plant Improvements – Chlorination building - Complete
- Howard Road 18” Water Line – Complete
- Water Treatment Plant Phase IB Improvements– Complete
- Oversize participation of St. Paul Episcopal Church 24” water line –Complete
- FM 664 2.0 MG Elevated Storage Tank – Complete
- Indian Pump Station Addition of Pumps #3 and #4 – Complete
- Water Treatment Plant Expansion to 18.0 MGD - Complete
- Spur 394 12and 24-inch Water Lines – Complete
- R.W. Sokoll Water Treatment Plant 48” Raw Water Line – Complete

- R.W. Sokoll Phase I Transmission Line – Complete
- Highway 287 Bypass 12” & 18” Water Lines – Complete
- Howard Road 12” Water Line Phase II – Complete
- Cantrell Street Water Line - Complete
- Robert W. Sokoll 20.0 MGD Water Treatment Plant -Complete

Wastewater System Improvements

- Grand Avenue Lift Station Reliever - Complete
- North East Trunk Sewer - Complete
- Wastewater Treatment Plant Odor Abatement – Complete
- Broadhead Road Sewer Line and Lift Station – Complete
- Grove Creek Sewer Line and Lift Station – Complete
- Country Club Sewer Line – Complete
- West Waxahachie Creek Trunk Sewer Line and Lift Station – Complete
- Wastewater Treatment Plant Expansion – Complete
- South Prong of Grove Creek Trunk Sewer-Phase I (A Texas Capital Fund Grant was received from the State to pay for this project for the new Cardinal CG Plant. Future phases will extend this line further west) – Complete
- Southeast Service Area Lift Station and Force Main – Complete
- Phase I Northeast Trunk Parallel Gravity Sewer Line – Complete
- R.W. Sokoll WTP 18” Sanitary Sewer Line - Complete
- Phase II 48” Northeast Trunk Sewer Line – Complete
- South Grove Creek 18” Trunk Sewer Oversize Participation - Complete
- Northeast Trunk Sewer Capacity Expansion - Complete

After a brief discussion, Mayor Kevin Strength moved to accept the semi-annual report on the Impact Fee Program as presented. Mr. Jeff Frazier seconded, **All Ayes.**

Mr. Eddie Haas, Freese and Nichols, reviewed the Roadway Capital Improvement Plan (CIP) and discussed proposed amendments to Service Areas 1 and 3. He presented a summary of the following proposed Impact Fee Capital Improvement Plan (IFCIP):

- Overall cost of program changes: 2013 - \$49.8M 2015 - \$62.5M
- Service area changes

Service Area	CIP cost (50% Credit)		Cost per SU (50% Credit)	
	2013	2015	2013	2015
1	\$724,388	\$3,486,493	\$188.00	\$1,024.00
3	\$1,910,535	\$6,199,687	\$599.00	\$1,025.00

Impact Fee Advisory Committee

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Mr. Haas stated if approved by the Committee, City Council will hold a public hearing on the proposed changes.

After further discussion, Vice Chairman Clyde Hargrove moved to approve the updates to the Capital Improvement Plan as presented. Mr. Joe Rust seconded, All Ayes.

There being no further business, the meeting adjourned at 3:58 p.m.

Respectfully submitted,

Lori Saunders
City Secretary



Memorandum

To: Impact Fee Advisory Committee
From: Shon Brooks, Senior Director Planning
Thru: Michael Scott, City Manager *[Signature]*
Date: February 26, 2019
Re: Five Year Impact Fee Revenue and Expenditure Activity Summary

On March 6, 2019 the Impact Fee Advisory Committee will receive a summary briefing from the Planning Department on impact fee revenue and expenditures from October 1, 2012 to September 30, 2018. Impact fees are authorized under Chapter 395 of the Texas Local Government Code, and empower municipalities to levy a charge or assessment against a new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.

The City of Waxahachie first adopted water and sewer impact fees on August 20, 2001 and roadway impact fees on November 7, 2008. Included as part of the initial approval of the impact fees was the adoption of a capital improvement plan, use assumptions, and service areas associated with each impact fee type. A capital improvement plan is a plan that identifies capital improvements or facility expansions for which impact fees may be assessed. A requirement of each capital improvement plan are land use assumptions which include a projection of changes in land uses, densities, intensities, and population in the service area over at least a 10 year period. Service areas are included as part of the land use assumptions and are defined as the area to be served by the capital improvements or facilities expansions specified in the capital improvement plans. Capital improvement plans and land use assumptions must be updated at minimum every five years; the City's next update must be completed prior to November 5, 2020. As a result, staff is preparing for an update to the capital improvement plan and land use assumptions in its FY19-20 budget.

The City's current water and sewer water impact fees were updated on October 21, 2013. The City adopted its most recent capital improvement plan, land use assumptions and

service area maps, along with updates to the roadway impact fees on November 2, 2015. Below is a summary of the City's current impact fees, as established by the November 2, 2015 ordinance. Please note that State law enables a municipality to establish a service area as the area within its corporate boundaries or extraterritorial jurisdiction for water and sewer impact fees. For roadway impact fees State law limits service areas to an area within the corporate boundaries of the City that cannot exceed six miles. As a result, the City has a single service area for all water impact fees, a single service area for all sewer impact fees, and seven service areas for roadway impact fees. For your reference attached to this summary report are the City's current service water, sewer, and roadway service area maps.

Current Water and Sewer Impact Fees

Meter Type	Meter Size	Living Unit Equivalents	Water Impact Fee	Sewer Impact Fee
Simple	5/8" X 3/4"	1	\$1,499.00	\$1,987.00
Simple	1"	2.5	\$3,747.50	\$4,967.50
Simple	1-1/2"	5	\$7,494.99	\$9,935.00
Simple	2"	8	\$11,991.99	\$15,895.99
Compound	2"	8	\$11,991.99	\$15,895.99
Turbine	2"	10	\$14,989.99	\$19,869.99
Compound	3"	16	\$23,983.98	\$31,791.99,
Turbine	3"	24	\$35,975.97	\$47,687.98
Compound	4"	25	\$37,474.97	\$49,674.98
Turbine	4"	42	\$62,957.95	\$83,453.97
Compound	6"	50	\$74,949.95	\$99,349.97
Turbine	6"	92	\$137,907.90	\$182,803.94
Compound	8"	80	\$119,919.91	\$158,959.94
Turbine	8"	160	\$239,839.82	\$317,919.89
Turbine	10"	250	\$374,749.73	\$499,284.00

Current Roadway Impact Fees

Service Area	Impact Fee (per Vehicle Mile)
1	\$1,024.00
2	\$992.00
3	\$1,025.00
4	\$1,222.00
5	\$621.00
6	\$1,160.00
7	\$1,337.00

Impact Fee Revenues and Expenditures

Below are tables illustrating the revenues and expenditures for water and sewer impact fees from October 1, 2012 to September 30, 2018:

Water Impact Fees

Fiscal Year	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
Beginning Balance	\$0.00	\$322,430.92	\$684,028.42	\$1,223,956.32	\$1,803,319.82	\$2,500,437.80
Revenues	\$365,756.00	\$378,497.50	\$540,539.40	\$579,363.50	\$815,455.93	\$1,165,013.12
Expenses	-\$43,325.08	-\$16,900.00	-\$611.50	\$0.00	-\$118,337.95	-\$61,674.50
Ending Balance	\$322,430.92	\$684,028.48	\$1,223,956.32	\$1,803,319.82	\$2,500,437.80	\$3,603,776.42

Sewer Impact Fees

Fiscal Year	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
Beginning Balance	\$0.00	\$446,771.28	\$980,740.03	\$1,680,367.53	\$2,174,877.31	\$2,538,194.81
Revenues	\$473,675.00	\$548,828.75	\$711,372.50	\$578,122.00	\$980,774.97	\$1,401,096.77
Expenses	-\$26,903.72	-\$14,860.00	-\$11,745.00	-\$83,612.22	-\$617,457.47	-\$116,325.79
Ending Balance	\$446,771.28	\$980,740.03	\$1,680,367.53	\$2,174,877.31	\$2,538,194.81	\$3,822,965.79

Water and Sewer Expenditure Summary

Below is a brief summary of the projects which have been funded, or partially funded through the use of water and sewer impact fees over the last five fiscal years:

- Water Distribution System Master Plan Update – The Water Distribution System Master Plan Update is the City’s ultimate water growth plan based on the 2016 Comprehensive Plan Update. The Water Distribution System Master Plan Update includes future major water line sizes, water storage tanks, pump stations, and water treatment plant capacity needs. The Water Distribution Master Plan Update was completed by Birkhoff, Hendricks & Carter, LLP (BHC) in January 2017.
- Water and Sewer Impact Fee Update – State law requires that a professional engineer update and/or prepare a municipality’s capital improvement plan and calculate the corresponding impact fees. In FY13-14 the City contracted with Birkhoff, Hendricks & Carter, LLP to review and update the City’s water and sewer capital improvement plan and to recalculate the associated impact fees based upon the update.

- *Oversized Participation Agreement North Grove Business Park* This oversized participation agreement provided for the installation of an 18-inch water line to service the North Grove Business Park development. The developer for the project paid for a 12-inch water line, and the City of Waxahachie paid for the upsizing the line to an 18 inch water line to provide for future development opportunities. The Oversized Participation Agreement North Grove Business Park was completed by SAP Properties, LLC in February 2018.
- *Wastewater Collection Systems Master Plan Update* – The Wastewater Collection Systems Master Plan Update is the City’s ultimate wastewater growth plan based on the 2016 Comprehensive Plan Update. The Wastewater Collection System Master Plan Update includes future major wastewater line sizes, lift stations, and wastewater flow monitoring, and wastewater treatment plant capacity needs. The Wastewater Collection Systems Master Plan Update was completed by Birkhoff, Hendricks & Carter, LLP (BHC) in January 2017.
- *Wastewater Treatment Plant Master Plan Update* – The Wastewater Treatment Plant Master Plan Update provided an analysis to increase the capacity of the City’s wastewater treatment plant from 8 million gallons per day to 12 million gallons per day. The Wastewater Treatment Plant Master Plan Update was completed by Kimley-Horn and Associates in February 2017.
- *Waxahachie High School Offsite Water Improvements* – The purpose of this project was to extend water services to the new Waxahachie High School site and to provide water for growth west of FM 664. The project includes 3.5 miles of 12-inch, 16-inch and 18-inch water lines. The Waxahachie High School Offsite Water Improvements engineering was performed by Birkhoff, Hendricks & Carter, LLP (BHC) and construction was completed by Canary Construction in December 2016.
- *Waxahachie High School Offsite Wastewater Improvements* – The purpose of this project was to extend a 24-inch wastewater line approximately 0.63 miles from FM 875 to the new Waxahachie High School site. This project also provided wastewater services to the area west of Highway 287 Business. The Waxahachie High School Offsite Wastewater Improvements engineering was completed by Birkhoff, Hendricks & Carter, LLP (BHC) and construction was completed Canary Construction in December 2016.
- *Legacy Grove Sewer Agreement* – The Legacy Grove Sewer Development Agreement provided for the installation of an 18-ich. sewer force main during the construction of Garden Valley Farms Phase I. This line provided for the redirection of the City’s existing force main and for additional capacity in the Grove Creek drainage basin. This construction of this line was completed by Circle H Construction in Month Year.

Current Roadway Impact Fees

Below is a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2012 to September 30, 2018:

	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18
Service Area 1						
Beginning Balance	\$0.00	\$38,508.90	\$150,302.90	\$185,149.57	\$216,961.97	\$326,832.55
Revenues	\$40,523.16	\$111,794.00	\$35,781.67	\$35,910.00	\$109,870.58	\$230,548.59
Expenses	-\$2,014.26	\$0.00	-\$935.00	-\$4,097.60	\$0.00	\$0.00
Ending Balance	\$38,508.90	\$150,302.90	\$185,149.57	\$216,961.97	\$326,832.55	\$557,381.14
Service Area 2						
Beginning Balance	\$0.00	\$395,980.62	\$862,920.62	\$0.00	\$0.00	\$0.00
Revenues	\$416,527.54	\$466,940.00	\$828,734.52	\$312,054.92	\$582,268.46	\$670,999.20
Expenses	-\$20,546.92	\$0.00	-\$1,691,655.14	-\$312,054.92	-\$582,268.46	-\$614,021.48
Ending Balance	\$395,980.62	\$862,920.62	\$0.00	\$0.00	\$0.00	\$56,977.72
Service Area 3						
Beginning Balance	\$955.00	\$12,584.04	\$12,584.04	\$24,151.17	\$20,053.57	\$29,554.57
Revenues	\$11,771.00	\$0.00	\$13,695.00	\$0.00	\$9,501.00	\$49,773.83
Expenses	-\$141.96	\$0.00	-\$2,127.87	-\$4,097.60	\$0.00	\$0.00
Ending Balance	\$12,584.04	\$12,584.04	\$24,151.17	\$20,053.57	\$29,554.57	\$79,328.40
Service Area 4						
Beginning Balance	-\$2,236.50	\$23,061.81	\$92,193.08	\$189,525.48	\$241,122.75	\$272,783.43
Revenues	\$26,477.00	\$69,131.27	\$97,332.40	\$51,597.27	\$31,660.68	\$250,011.52
Expenses	-\$1,178.69	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$23,061.81	\$92,193.08	\$189,525.48	\$241,122.75	\$272,783.43	\$522,794.95
Service Area 5						
Beginning Balance	\$23,458.00	\$51,475.24	\$106,899.78	\$183,677.85	\$264,405.88	\$361,020.88
Revenues	\$30,494.54	\$55,424.54	\$77,970.00	\$80,728.03	\$96,615.00	\$497,028.75
Expenses	-\$2,477.30	\$0.00	-\$1,191.93	\$0.00	\$0.00	\$0.00
Ending Balance	\$51,475.24	\$106,899.78	\$183,677.85	\$264,405.88	\$361,020.88	\$858,049.63
Service Area 6						
Beginning Balance	-\$25,979.00	\$38,372.45	\$54,202.45	\$85,290.45	\$121,822.45	\$206,297.65
Revenues	\$66,737.00	\$15,830.00	\$31,088.00	\$36,532.00	\$84,475.20	\$481,947.29
Expenses	-\$2,385.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$38,372.45	\$54,202.45	\$85,290.45	\$121,822.45	\$206,297.65	\$688,244.94
Service Area 7						
Beginning Balance	\$28,131.00	\$68,579.12	\$108,766.12	\$193,542.12	\$457,016.12	\$524,616.12
Revenues	\$43,896.00	\$40,187.00	\$84,776.00	\$263,474.00	\$67,600.00	\$37,198.24
Expenses	-\$3,447.88	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Ending Balance	\$68,579.12	\$108,766.12	\$193,542.12	\$457,016.12	\$524,616.12	\$561,814.36
Total	\$628,562.18	\$1,387,868.99	\$861,336.64	\$1,321,382.74	\$1,721,105.20	\$3,324,591.14

Roadway Expenditure Summary

- **Roadway Impact Fee Update:** State law requires that a professional engineer update and/or prepare a municipality's capital improvement plan and calculate the corresponding impact fees. In FY12-13 the City contracted with Freese and Nichols, Inc. to review and update the City's roadway capital improvement plan and to recalculate the associated impact fees based upon the update. Each service area remitted payment for their proportionate share of the analysis, based on the amount of improvements identified within the specific service areas.
- **North Grove Boulevard:** Funds were utilized from Service Area 2 to construct North Grove Boulevard. North Grove is a 4 lane divided public street, approximately 1.30 miles in length, which provides an east west connection from US Highway 77 to FM 813. The roadway has helped to facilitate the preliminary platting of approximately 1,450 single family lots in the Dove Hollow and Estates of North Grove developments. In addition, staff anticipates the development of at minimum an additional 500 single family homes in this area and the construction of a new Elementary School.

State law dictates that funds collected in a particular service area, must be spent within that service area. At the time North Grove Boulevard was constructed, there was insufficient funding to construct the entire street with the Service Area 2 impact fees. As a result, Service Area 2 took out a loan from the City's General Fund budget to fully fund the road construction in FY14-15. Service Area 2 repaid the loan to the General Fund over the following three fiscal years, and the debt was retired fully in FY17-18.

Anticipated FY18-19 Impact Fee Expenditures

Below is a brief summary of the projects intended to be funded, or partially funded, with impact fees in the FY18-19 Budget Year:

- **FM 664 Water Line Project:** This project will provide for the construction of approximately 1.14 miles of 24" diameter water line, which will run from the elevated storage tank on FM 664 south of the 287 bypass to the intersection of business 287 and FM 664. This project will provide water services to the Ridge Crossing and Shepard's Place developments, as well as future developments along FM 664. Staff has budgeted approximately \$1,300,000 in FY18-19 from water impact fees to fund this line.
- **BNSF Water Line Project:** Staff has budgeted to expend approximately \$205,000 in FY18-19 from water impact fees to fund professional engineering services associated with the design of the BNSF Water Line. This project will provide for the installation of approximately .89 miles of 18" diameter water line which will run from Butcher Road east of the railroad tracks to the Cardinal IG property. These improvements will provide for additional growth opportunities in the northern portion of the City.

- *Grove Creek and lower Mustang Creek Lift Station Improvements:* The Grove Creek and Lower Mustang Creek Lift Station improvements will provide additional capacities for wastewater flows from the Grove Creek Parallel Sewer Line and the Cole Creek Sewer System. This increased capacity will provide opportunities for new development in the northeaster portion of the City. Staff has budgeted to spend approximately \$2,000,000 from sewer impact fees in FY18-19 to fund these improvements.
- *Wastewater Treatment Plant Improvements:* In FY18-19 a number of improvements and rehabilitation initiatives will be undertaken at the Wastewater Treatment Plant. These improvements will help to manage additional capacity, fats, oils, greases, and ensure compliance with State and Federal Regulations. These improvements were identified in 2013 Sewer Capital Improvement Plan and are in direct relation to the growth within the City. While staff has budgeted to spend approximately \$2,000,000 from sewer impact fees in FY18-10 to fund a portion of these improvements; the overall cost of his project are estimated to be approximately \$14,000,000.
- *General Fund Reimbursement from Roadway Funds:* Over the last several years the City has made a number of improvements identified in the roadway capital improvement plan from City's General Fund, rather than the roadway impact fees. State law allows for a municipality to reimburse itself from impact fee revenue for expenditures made to fund impact fee eligible projects. As a result, City staff will be exploring the idea of reimbursing itself for such expenditures with existing impact fee revenues. Any reimbursed funds would be utilized for street related maintenance and/or improvement activities.
- *Debt Service:* Staff frequently utilizes bond funds to pay for both impact fee and non-impact fee eligible projects. Moving forward, staff will begin to utilize roadway, water and sewer impact fees to fund annual debt service associated with impact fee eligible bond issuances. As most bond debt carries a 20 year life, staff forecasts impact fee revenue and makes projections based on annual data and construction related trends within the City.

Role of Advisory Committee and Next Steps

As a reminder, the role of the Impact Fee Advisory Committee is to:

- 1) Advise and assist the municipality in adopting land use assumptions, when capital improvement plans are revised.
- 2) Perform a review of the capital improvement plan and provided feedback to City Council and staff
- 3) Review periodic reports concerning the use impact fees and the progress of the municipality's overall capital improvement plans
- 4) Make recommendations to City Council and staff regarding the need to update or revise existing land use assumptions, capital improvement plans or impact fees

As previously stated, staff will contract a professional engineering firm to prepare an update to the City's water, sewer and roadway impact fees in early FY19-20. At that time, staff will engage the Impact Fee Advisory Committee to provide feedback to the selected engineering firm(s) regarding the existing capital improvement plan and land use assumptions. Once a final draft update is prepared, it will be submitted for review to the Advisory Committee. Ultimately staff will look to the Committee for a recommendation to City Council regarding the adoption of the update. Prior to this update, staff will continue to provide periodic updates to the Impact Fee Advisory Committee regarding the use of impact fees and the progress on the overall capital improvement plan. Staff will provide its next report to the Advisory Committee in the Fall of 2019, covering revenues and expenses for the FY18-19 budget year.

I am available at your convenience should you need additional information.

Shon Brooks