

A G E N D A

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) will hold a regular meeting on **Tuesday, April 26, 2022 at 5:30 p.m.** in the City Council Conference Room at 401 S. Rogers St., Waxahachie, TX.

Committee Members: Rick Keeler, Chairman
Melissa Ballard
Betty Square Coleman
Bonney Ramsey
Jim Phillips
David Hudgins
Erik Test
Melissa Olson
Clyde Hargrove
Brett Hess
John Houston
Jimmy Poarch

1. Call to Order
2. Invocation
3. **Public Comments:** Persons may address the Impact Fee Capital Improvements 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.
4. **Approval** of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of November 9, 2021
5. **Hear** and accept the April 2022 Mid-Year Impact Fee Report
6. Adjourn

The IFCIAC 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) 309-4006 or (TDD) 1-800-RELAY TX.

Notice of Potential Quorum
One or more members of the Waxahachie City Council and/or
Planning & Zoning Commission may be present at this meeting.

Impact Fee Capital Improvements Advisory Committee
November 9, 2021

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) held a regular meeting on Tuesday, November 9, 2021 at 5:15 p.m. in the City Council Conference Room at 401 S. Rogers St., Waxahachie, TX

Members Present: Rick Keeler, Chairman
Melissa Ballard, Vice Chairman
Betty Square Coleman
Bonney Ramsey
Jim Phillips
David Hudgins
Erik Test
Melissa Olson

Members Absent: Clyde Hargrove
Brett Hess
John Houston
Jimmy Poarch

Others Present: Michael Scott, City Manager
Albert Lawrence, Deputy City Manager
Shon Brooks, Executive Director of Development Services
Jennifer Pruitt, Senior Director of Planning
Colby Collins, Planning Manager
Chelsey Gordon, Assistant Director of Public Works
Kip Dernovich, Assistant Director of Utilities
Amber Villarreal, City Secretary

1. **Call to Order**
2. **Invocation**

Chairman Rick Keeler called the meeting to order and gave the invocation.

3. **Public Comments**

None

4. **Reorganize the Committee**

Action:

Ms. Bonney Ramsey moved to nominate Rick Keeler as Chairman. Ms. Melissa Ballard seconded, All Ayes.

Mr. Jim Phillips moved to nominate Melissa Ballard as Vice Chairman. Ms. Melissa Olson seconded, All Ayes.

5. **Approval of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of April 27, 2021**

Action:

Vice Chairman Melissa Ballard moved to approve the minutes of the Impact Fee Capital Improvements Advisory Committee meeting of April 27, 2021. Mr. Jim Philips seconded, All Ayes.

6. Presentation to discuss Impact Fee revenue and expenditures for the 2020-2021 fiscal year

Senior Planner Colby Collins reviewed the Impact Fee revenue and expenditure activity summary for April 1, 2021-September 30, 2021.

Assistant Utility Director Kip Dernovich presented a brief summary of the projects which have been funded, or partially funded through the use of water impact fees during FY 20-21:

- BNSF Railroad 18” Water Transmission Line Project Phase 1 and Phase 2
- Distribution Line: Loftland Road/Ovilla Road Phase 1 (Engineering design only)
- City’s Water Debt Service

Mr. Dernovich reviewed a summary of anticipated FY 21-22 Water Impact Fee Expenditures:

- Howard Road High Service Pump No. 5

Mr. Dernovich stated the balance of Water Impact Fees, including revenues and expenses through September 30, 2021, total \$5,795,938.14. Ending balance of Sewer Impact Fees, including revenues and expenses through September 30, 2021, total \$6,440,156.08. He reviewed the summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the first half of FY 20-21:

- Waste Water Treatment Plant Rehabilitation Project
- City’s Waste Water Debt Service

Assistant Director of Public Works Chelsey Gordon reviewed a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2020 to September 30, 2021 totaling \$11,193,894.86. She noted the table includes seven (7) service areas. Ms. Gordon explained due to COVID-19 and an all-time low in the cost of bond funding, originally budgeted Roadway Impact Fee funding was exchanged for other funding options.

She reviewed a summary of anticipated FY 21-22 Roadway Impact Fee Expenditures:

- Left turn lane off Northgate onto Highway 77
- Additional traffic lanes on Farley (Police Station to Highway 287)
- Roadway Improvements to Broadhead Road

Mr. Collins thanked City staff for assisting with the fiscal year Impact Fee Report.

Action:

(4)

Impact Fee Capital Improvements Advisory Committee

November 9, 2021

Page 3

Mr. Jim Phillips moved to accept the Impact Fee revenue and expenditures for the 2020-2021 fiscal year. Vice Chairman Melissa Ballard seconded, All Ayes.

7. Adjourn

There being no further business, the meeting adjourned at 6:15 p.m.

Respectfully submitted,

Amber Villarreal
City Secretary

(5)



Memorandum

To: Impact Fee Advisory Committee
From: Jennifer Pruitt, Senior Director Planning
Thru: Michael Scott, City Manager *[Signature]*
Date: April 26, 2022
Re: FY 2021-2022 Impact Fee Revenue and Expenditure Activity Mid-Year Report

In November 4, 2021, city staff presented the FY 2020-2021 Impact Fee Revenue and Expenditure Activity Report to the Impact Fee Capital Improvement Advisory Committee. The activity summary detailed impact fee revenue and expenditures from October 1, 2020 to September 30, 2021.

The following report entails the Impact Fee revenue and expenditure activity summary for the first half of the 2021-2022 fiscal year, which includes data from October 1, 2021 to March 31, 2022. 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.

Please note that additional revenues and/or expenses may post for this report period after the date of this report. If additional revenues and/or expenses are posted to this period they will be reflected in the next biannual report.

Impact Fee Revenues and Expenditures

Below are tables illustrating the revenues and expenditures for water, sewer, and roadway impact fees from October 1, 2021 to March 31, 2022, with a brief explanation of the associated expenditures from each project.

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Water Impact Fees

Fiscal Year	FY 21 - 22 (Through 03/31/2022)
Beginning Balance	\$6,109,203.05
Revenues	\$821,473.69
Expenses	\$69,066.21
Ending Balance	\$6,861,610.53

Water Impact Fee Expenditure Summary FY 21-22 (Mid-Year)

Below is a brief summary of the projects which have been funded, or partially funded through the use of water impact fees during the first half of FY 21-22 budget year:

- BNSF Railroad 18" Water Transmission Line Project Phase 1 and Phase 2 (Engineering Design Only):

This project is replacing approximately 6,600 linear feet of an existing 10-inch AC water line with 18" water transmission line and approximately 700 linear feet of 24" water transmission line. This new transmission line will be constructed parallel to, and on the east side of BNSF railroad from Butcher Road south to Mustang Creek. The new pipeline is part of a larger series of water infrastructure improvements that will help facilitate water through the 791 Service Area, support development growth north of downtown and will enhance the operations of the Sokoll Water Treatment Plant by allowing additional water to be pumped into the 791 Service Area. Engineering Design for these projects are funded with impact fees.

Distribution Line: Lofland Road/Ovilla Road Phase 1 – (Engineering Design Only) This project is the first phase to install approximately 8,900 LF of 24" diameter water transmission line. The limits will be from Cardinal Road just east of the BNSF Railroad west to Ovilla Rd at the Marshall Rd intersection. This line will help sustain water pressures to the northern part of Settlers Glen Subdivision and surrounding areas, provide for additional capacity from the Sokoll Water Treatment Plant, and support development in the area west of IH-35 and north of the 287 Bypass. The design phase of this project is being fully funded with impact fees. Approximately \$1.65 million of FY2020 Bonds and \$2.198 million of Water Impact Fees are anticipated to be used for Construction. This project has been delayed due to negotiations over water utility easements and right-of-way purchases with one of the property owners. \$100,740 of Water Impact Fees have been used to fund easement acquisitions. This project will be advertised for bids on April 20th and 27th, 2022, with bid opening on May 12, 2022. Staff intends to carry to City Council on June 6, 2022, for award. Once bid opening occurs, staff will have a better idea on the full amount of Water Impact Fees utilized for construction.

Howard Road WTP High Service Pump No.5 – This project includes the engineering design, bid specification preparation, and construction support services of a new pump and motor configuration. This is similar to the existing pumps and motors and new electrical motor control center and appurtenances to provide for additional treated water pumping capacity into the water distribution system to meet current and future demands from the Howard Road Water Treatment Plant. This project is in the City’s Current Capital Improvement Plan to be fully funded with impact fees. The total project budget is \$718,128 with \$163,738 of impact fee funds spent to date.

Dove Hollow – City Council approved in March of 2022, City participation in the oversizing of approximately 1610 linear feet of 12” water line to 16” water line in the Dove Hollow development Phase I.

- Debt Service – The City issues debt for the purpose of financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by government to support basic services including improvements and new components to the City’s utility system. Utility-related bond projects are largely financed by a portion of monthly water fees paid by the City’s utility customers. Additionally, water impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2021-2022, water impact fees are scheduled to contribute \$99,000 toward the City’s water debt service.

Anticipated FY 22-23 (Second Half) Water Impact Fee Expenditures

Oversized Water Participation Projects – Staff has discussed with several developments participating in oversized water lines (Sun Belt Rental 16” - \$219,500 estimate, Cardinal Road 24” - \$130,000, and Saddle Brook Estates Phase III 16” - \$130,000 estimate). Staff anticipates bringing these projects to City Council for approval during the next reporting phase.

City of Waxahachie Fire Station No. 4 (Offsite 12” water line engineering) \$15,000 – Engineering fees will be reimbursed to the Fire Department after completion.

Water Distribution System Master Plan Update \$75,000 estimate – During the next reporting phase, staff plans to bring to City Council a Water Distribution Master Plan Update proposal. The current master plan was adopted in FY2016 and with the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws which have a direct impact on our (CCN) service area, staff believe an update is warranted.

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Sewer Impact Fees

Fiscal Year	FY 21-22 (Through 03/31/2022)
Beginning Balance	\$6,505,703.57
Revenues	\$857,002.34
Expenses	\$778,002.45
Ending Balance	\$6,584,703.46

Sewer Impact Fee Expenditure Summary FY 21-22 (Mid-Year)

Below is a brief summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the first half of FY 21-22 budget year:

- Waste Water Treatment Plant Improvements Project: In October 2019, City Council awarded a contract to BAR Construction in the amount of \$12,875,550 for the Wastewater Treatment Plant. \$1,354,550 of this project is anticipated to be funded by impact fees, with the rest of the project being funded through Certificate of Obligation Bonds. In addition, the City also executed a materials testing contract in January 2020 with Alpha Testing for \$53,888.50. This will also be funded with impact fees. Construction began in January 2020 and was on track for completion in August of 2021. A change order of approximately \$5.373 million (Jefferson Lift Station) was approved by City Council on April 4, 2022. While funding for this change order utilizes mostly Local Coronavirus Relief Funding, it also includes a total of \$984,931 of wastewater impact fee funds. The new construction completion date is anticipated to be March 1, 2023
- Debt Service – The City issues debt for the purpose of financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by government to support basic services including improvements and new components to the City’s utility system. Utility-related bond projects are largely financed by a portion of monthly sewer fees paid by the City’s utility customers. Additionally, waste water impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2021-2022, waste water impact fees are scheduled to contribute \$1,227,640 toward the City’s waste water debt service.

Anticipated FY 21-22 (Second Half) Sewer Impact Fee Expenditures

Oversized Wastewater Line Participation Project \$75,000 – Staff anticipates entering into a developer agreement with the developer of the Pine Meadows Phase II development. The City will oversize an existing 12” sewer line with a 15” sewer line.

Wastewater Collection Master Plan Update \$75,000 - During the next reporting phase, staff plans to bring to City Council a Wastewater Collection System Master Plan Update proposal. The current master plan was adopted in FY2016 and with

the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws which have a direct impact on our (CCN) service area, staff believe an update is warranted.

Wastewater Treatment Plant Master Plan Update \$150,000 - During the next reporting phase, staff plans to bring to City Council a Wastewater Treatment Plant Master Plan Update proposal. The current master plan was adopted in FY2017 and with the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws which have a direct impact on our (CCN) service area, staff believe an update is warranted.

Current Roadway Impact Fees FY 21-22 (Mid-Year)

Below is a table illustrating the revenues and expenditures for roadway impact fees from September 30, 2021 to March 31, 2022:

Service Area	FY 2022 Start (9/30/2021)	Revenues	Expense	March 2022 End (03/31/2022) <i>*total amounts in this column includes Interest Allocation</i>
Service Area 1	\$977,414.37	----	----	\$977,676.99
Service Area 2	\$2,498,782.54	\$731,255.03	----	\$3,230,915.37
Service Area 3	\$651,078.74	\$37,371.42	----	\$688,637.25
Service Area 4	\$2,033,276.55	\$105,741.52	----	\$2,139,599.37
Service Area 5	\$2,136,445.46	\$190,517.60	----	\$2,327,595.37
Service Area 6	\$1,829,636.40	\$41,169.20	----	\$1,874,314.01
Service Area 7	\$1,123,576.79	\$474,501.30	----	\$1,598,515.37
Interest	----	\$3,486.89	----	----
Total	\$11,250,213.85	\$1,584,042.96	----	\$12,834,256.81

Roadway Expenditure Summary FY 21-22 (Mid-Year)

Below is a brief summary of the projects which have been funded, or partially funded through the use of roadway impact fees during the first half of FY 21-22 budget year:

- Roadway Impact Fee Update: State law requires that a professional engineer update and/or prepare a municipality's Capital Improvement Plan and calculate the

(5)

corresponding impact fees. In FY20-21, the City has contracted with the engineering firm Freese and Nichols for \$62,750 to review land use assumptions, and update the City's roadway Capital Improvement Plan and to recalculate the associated impact fees based upon the update. This update will be 100% funded through Impact Fees. Each service area will remit payment for their proportionate share of the analysis, based on the amount of improvements identified within the specific service areas. Work on this project was completed and approved by the Impact Fee Capital Improvement Advisory Committee (IFCIAC), the Planning and Zoning Commission (P&Z), and the City Council in January 2021. As of March 31, 2021 a total of \$88,000 has been equally expensed from all seven Service Areas for associated expenses. *This figure isn't shown in the above graph due to all associated work being completed and charged by September 30, 2021 (FY20-21), while the final process was approved in January of 2022 (FY21-22).*

Anticipated FY 22-23 (Second Half) Roadway Impact Fee Expenditures

Potential future projects for Roadways include:

- **Left turn lane of North Gate onto Highway 77 Service Area 4-** Anticipated to start Engineering, October 2022 and begin construction June 2023.
- **Concept Plan for Farley Street Service Area 4** – Anticipate start concept plan May 2022 from Richmond to Hwy 287. The concept plan will determine the phasing limits of this road we can fund.
- **Concept Plan for Broadhead Road Service Area 5** – Anticipate start concept plan June 2022 from April Lane to North of Youngblood. The concept plan will determine the phasing limits of this road we can fund.
- **Marshall Road Service Area 1** – Purchase Right of Way from I35 to Patrick Road (\$580,422).
- **Dove Hollow – Vista Way Water Main Phase I Reimbursement Area 2** – Roadway impact fee reimbursement of \$331,095 for Vista Way is association with Dove Hollow Phase I subdivision.

Next Steps

Upon receiving acceptance of this report by the Impact Fee Advisory Committee, staff will provide it to City Council for consideration. 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 intends to provide its next Impact report to the Advisory Committee in the Fall of 2022, covering revenues and expenses for the entire FY22-23 budget year.