

A G E N D A

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) will hold a regular meeting on ***Tuesday, November 14, 2023 at 6:00 p.m.*** Waxahachie Civic Center, 2000 Civic Center Lane, Meeting Room A and B, Waxahachie, Texas.

Committee Members: Rick Keeler, Chairman
Eric Test
Ron Ansell
Adrian Cooper
David Hudgins
Marlene Norcross
Bonney Ramsey
Dalton Bradbury
Brett Hess
Jimmy Poarch
Travis Smith

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. Reorganize the Committee
5. Approval of minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of May 10, 2023
6. Presentation to accept Impact Fee revenue and expenditure activity from April 1, 2023 - September 30, 2023
7. Adjourn

The IFCIAC reserves the right to go into Executive Session as authorized by Section 551.071(2) of the Texas Government Code, for the purpose of seeking confidential legal advice from legal counsel on any agenda item listed herein. 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.

The Impact Fee Capital Improvements Advisory Committee (IFCIAC) held a regular meeting on Wednesday, May 10, 2023 at 6:15 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
David Hudgins
Erik Test
Ron Ansell
Brett Hess
Jimmy Poarch
Dalton Bradbury

Member Absent: Travis Smith

Others Present: Jennifer Pruitt, Senior Director of Planning
James Gaertner, Executive Director of Public Works &
Engineering
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. Consider minutes of the regular Impact Fee Capital Improvements Advisory Committee meeting of December 13, 2022**

Action:

Melissa Ballard moved to approve the minutes of the Impact Fee Capital Improvements Advisory Committee meeting of December 13, 2022. Bonney Ramsey seconded, All Ayes.

- 5. Hear and accept the 2023 Impact Fee Revenue and Expenditure Activity Mid-Year Report**

Jennifer Pruitt, Senior Director of Planning, explained the mid-year report identifies fees collected/expended and current/future projects. She acknowledged the compilation of the report is a multi-departmental task and thanked those who contributed.

Staff reviewed the Impact Fee revenues and expenditures for water, sewer, and roadway impact fees from October 1, 2022-March 31, 2023.

Amil Spencerberry, Utilities Business Operations Manager, reviewed the following Water Impact Fees revenue and expenditure activity summary for October 1, 2022-March 31, 2023:

Current Fiscal Year	(Through 03/31/2023)
Beginning Balance	\$4,178,990.41
Revenues	\$650,593.05
Expenses	\$1,386,547.00
Ending Balance	\$3,4243,036.46

He presented a brief summary of the projects which have been funded, or partially funded through the use of Water Impact Fees during FY 22-23:

- BNSF Railroad 18” Water Transmission Line Phase 1 and Phase 2 (engineering design only)
- Fire Station No. 4 Water Line (engineering design only)
- JP Tyler – Sunbelt Oversize Participation 16” Water Line
- Distribution Line: Lofland Road/Ovilla Road Phase 1 (construction only)
- Distribution Line: Marshall Road/Ovilla Road Phase 2 (engineering design only)
- Howard Road Water Treatment Plant High Service Pump No. 5 (engineering and construction)
- Water Distribution System Master Plan Update – FY 23
- IH-35 Water Main Lofland to Butcher (construction only)
- Debt Service

Anticipated FY 23-24 Water Impact Fee Expenditures:

- Cardinal Road Oversize Participation – 24” Water Line
- Saddlebrook Estates Phase III 16” Oversize Water Line Participation
- FM 878 at 287 Bypass 16” Water Line (engineering design only)

Mr. Spencerberry reviewed the following Sewer Impact Fees revenue and expenditure activity summary for October 1, 2022-March 31, 2023:

Current Fiscal Year	(Through 03/31/2023)
Beginning Balance	\$3,968,360.70
Revenues	\$602,040.86
Expenses	\$1,298,334.60
Ending Balance	\$3,272,066.96

He presented a brief summary of the projects which have been funded, or partially funded through the use of Sewer Impact Fees during FY 22-23.

- Wastewater Treatment Plant Improvements Project

- Jefferson Lift Station Capacity Expansion
- Wastewater Collection System Master Plan Update – FY 23
- Wastewater Treatment Plant Master Plan Update
- Grove Creek Parallel Gravity Trunk Sewer Phase IV (construction only)
- Debt Service

Anticipated FY 23-24 Sewer Impact Fee Expenditures:

- Pine Meadows Oversize Wastewater Line Participation Project

James Gaertner, Executive Director of Public Works and Engineering, reviewed the following Roadway Impact Fees revenue and expenditure activity summary for October 1, 2022-March 31, 2023:

Service Area	FY 2023 Start (09/30/2022)	Revenues	Expense	March 2023 End (03/31/2023)
Service Area 1	\$507,955.89	----	----	\$518,567.34
Service Area 2	\$3,656,707.70	\$418,651.65	----	\$4,160,495.65
Service Area 3	\$759,810.47	\$65,018.64	----	\$842,060.20
Service Area 4	\$2,158,049.30	----	\$215,833.75	\$1,982,789.41
Service Area 5	\$2,597,991.27	\$90,426.18	----	\$2,744,579.84
Service Area 6	\$1,979,648.59	\$111,435.81	----	\$2,134,768.20
Service Area 7	\$1,613,465.59	\$3,947.60	----	\$1,651,201.76
Interest	----	\$287,187.46	----	----
Total	\$13,273,628.81	\$976,667.34	\$215,833.75	\$14,034,462.40

He explained the funds collected in each Service Area can only be spent in that same Service Area. Mr. Gaertner presented a brief summary of the projects which have been funded, or partially funded through the use of Roadway Impact Fees during FY 22-23.

- Farley Street Service Area 4

Anticipated FY 23-24 Roadway Impact Fee Expenditures:

- Left turn lane of Northgate onto Highway 77 Service Area 4
- Concept Plan for Broadhead Road Service Area 5

Action:

*Melissa Ballard moved to accept and recommend approval of the Impact Fee Revenue and Expenditure Activity Mid-Year Report 2022-2023 as presented. Bonney Ramsey seconded, **All Ayes.***

6. Adjourn

Impact Fee Capital Improvements Advisory Committee

May 10, 2023

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There being no further business, the meeting adjourned at 6:45 p.m.

Respectfully submitted,

Amber Villarreal, City Secretary



Memorandum

To: Impact Fee Advisory Committee
From: Jennifer Pruitt, Senior Director of Planning
Thru: Michael Scott, City Manager
Date: November 14, 2023
Re: FY 2022-2023 Impact Fee Revenue and Expenditure Activity End of Year Report

RECOMMENDED MOTION

"I move to accept and recommend approval of the Impact Fee Revenue and Expenditure Activity End of Year Report 2022-2023 as presented by staff."

On December 13, 2022, city staff presented the FY 2021-2022 Impact Fee Revenue and Expenditure Activity Report to the Impact Fee Capital Improvement Advisory Committee (IFCIAC). The activity summary detailed impact fee revenue and expenditures from October 1, 2021, to September 30, 2022, and an impact fee analysis to support the staff recommendation for increasing the Water, Wastewater, and Roadway Impact fees.

On December 16, 2022, city staff presented the FY 2021-2022 Impact Fee Revenue and Expenditure Activity Report to City Council and action was taken to accept the recommendation of the Impact Fee Advisory Committee to increase the Water, Wastewater, and Roadway Impact Fees to the maximum calculated rates allowed, starting April 1, 2023.

In May 2023, city staff presented the Mid-Year FY 2022-2023 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, 2022 to March 31, 2023. The following report entails the Impact Fee revenue and expenditure activity summary for the 2022-2023 fiscal year, which includes data from October 1, 2022 to September 30, 2023.

Impact fees are authorized under Chapter 395 of the Texas Local Government Code and empower municipalities to levy a charge or assessment against new development to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development.

Impact Fee Revenues and Expenditures

Below illustrates the revenues and expenditures for water, sewer, and roadway impact fees from October 1, 2022, to September 30, 2023, with a brief explanation of the associated spending from each project.

Water Impact Fees

Current Fiscal Year	(Through 09/30/2023)
Beginning Balance	\$4,178,990.41
Revenues	\$1,878,495.11
Expenses	\$1,717,146.56*
Ending Balance	\$4,340,338.46

Water Impact Fee Expenditure Summary FY 22-23

**Please note, expense discrepancies are the result of carry-over from the previous fiscal year.*

Below is a summary of the projects which have been funded, or partially funded through the use of water impact fees during the FY 22-23 budget year:

JP Tyler - Sunbelt Oversize Participation 16" Water Line

Staff entered into a participation agreement with Sunbelt Rentals to oversize an existing 12" water line with a 16" water line along the West side of the I-35E service for 2,725.07-linear feet. The developer received reimbursement in the amount of \$261,615.00.

Water Line - Fire Station No.4(Engineering Design only)

The City entered into a civil engineering agreement to design a 12" water line extension, approximately 780 linear feet, from the I-35 frontage road near Brookside Road to Waxahachie Fire Station #4. This extension was vital for the new fire station and future development. Partly funded with \$15,000 from Water Impact Fees, the design engineer received the final payment of \$2,320.00.

Cardinal Rd Oversized Participation -24" Waterline

Staff entered into a participation agreement with Cardinal Road Self-Storage LTD. The City agreed to oversize an existing 12" water line with a 24" water, installed along Cardinal Road for approximately 310 linear feet along the northern Cardinal Road right-of-way. This 24" diameter line is consistent with the City's current Water Distribution System Master Plan. The developer was reimbursed with funds from the Water Impact Fee Fund in amount of \$129,812.61.

Distribution Line: Lofland Road/Ovilla Road Phase 1(Construction only)

This project was the first phase to install approximately 8,900 linear feet of 24" diameter water transmission line. The limits were from Cardinal Road east of the BNSF Railroad west to Ovilla Rd at the Marshall Rd intersection. The project budget was partially funded with \$2,942,332 of Water Impact Fees. Expenditures in the amount of \$1,032,163.44 were recorded through September 30, 2023.

Distribution Line: Lofland/Ovilla Road Phase 2(Engineering Design Only)

Staff entered into a service agreement for engineering design and construction oversight services to construct approximately 5800 linear feet of 20" and 24" diameter water transmission line that shall be installed along Ovilla Road from Marshall Road to the south side of HWY 287 bypass. This project is funded with \$672,575.00 of water impact fees that were transferred to the Water Capital Project Fund. Expenditures in the amount of \$409,611.06 were recorded through September 30, 2023.

Howard Road WTP High Service Pump No.5(Engineering and Construction)

This project includes the engineering design and construction oversight services of a new pump and motor configuration. This is a necessary system upgrade to fortify the existing infrastructure to provide 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 fully funded with \$718,128.00 of water impact fees that were transferred to the Water Capital Project Fund. Expenditures in the amount of \$30,900.08 were recorded through September 30, 2023.

Water Distribution System Master Plan Update - FY23

Staff has entered into a professional services agreement to update the Water Distribution System Master Plan. The master plan process will include updating land use assumptions, water demand and flow projections, hydraulic water models, and recommended Capital Improvements Plan. The current master plan was last updated and adopted in FY2016. With the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws that directly impact our (CCN) service area, staff believe an update is warranted. The project is funded with \$305,500.00 from water impact fee funds. Expenditures in the amount of \$138,143.95 were recorded through September 30, 2023.

Debt Service

The City issues debt for financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures the government provides 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 2022-2023, water impact fees contributed \$99,000.00 toward the City's water debt service.

Anticipated FY 23-24 Water Impact Fee Expenditures

I-35 Water Main Lofland to Butcher (Construction only)

Water Impact fees in the amount of \$132,250.00 were transferred from the Water Impact Fee fund to the Water Capital Improvement Fund to supplement the cost of the construction of 4,230 linear feet of 18" water line along the east right of way of I-35 from the existing 18" water line at Butcher Road to the 18" water line on the south side of Lofland Road at the Owens Corning facility.

FM 878 at 287 Bypass 12" and 16" Water Line (Engineering Design only)

Water Impact Fees in the amount of \$416,000.00 were transferred from the Water Impact Fee fund to the Water Capital Project fund for engineering design and construction oversight services of approximately 13,500 linear feet of 16" and 12" water lines that will extend water service from Cleaver Street to the eastern portion of the service area including FM 878 and FM 879 areas in the 715 Pressure Plane. This project includes a bored waterline crossing under US-287 Bypass at Cleaver Street and connecting to the existing water line on Parks School House Road to provide a looped system. This project is the companion project to the Lower Mustang Creek Trunk Sewer line.

Saddle Brook Estates Phase III 16" Oversize Water Line Participation

Possible participation with 287 Waxahachie, LP. The City would oversize approximately 1,160 linear feet of 16" diameter water line within the Saddlebrook Estates development. This line is consistent with the City's current Water Distribution System Master Plan. The developer will be reimbursed with funds from the Water Impact Fee Fund for approximately \$130,000.00.

Sewer Impact Fees

Current Fiscal Year	(Through 09/30/2023)
Beginning Balance	\$3,968,360.70
Revenues	\$1,763,119.16
Expenses	\$2,676,539.60*
Ending Balance	\$3,054,940.26

Sewer Impact Fee Expenditure Summary FY 22-23

** Please note, the expense discrepancy is a result of \$367,000.00 of wastewater impact fees transferred to the Lower Mustang Creek Trunk Sewer Phase 3 project that have not yet been spent.*

Below is a summary of the projects which have been funded, or partially funded through the use of sewer impact fees during the FY 22-23 budget year:

Wastewater Treatment Plant Improvements Project

In October 2019, City Council awarded BAR Construction a contract of \$12,875,550.00 for improvements in the Wastewater Treatment Plant. This project is funded by impact fees in the amount of \$1,414,198, with the rest of the project being funded through Certificate of Obligation Bonds. In accordance with IRS Rules governing bonds, the City will spend the bonds funds first. Expenditures in the amount of \$5,587.21 were recorded through March 31, 2023.

Jefferson Lift Station Capacity Expansion

A change order to the Wastewater Treatment Plant Improvements Project of approximately \$5.373 million was approved by City Council on April 4, 2022. While funding for this change order utilizes mainly Local Coronavirus Relief Funding, it also includes \$853,931.00 of wastewater impact fee funds. The new construction completion date is anticipated to be August 1, 2023. In accordance with IRS Rules governing bonds, the City will spend the bonds funds first. The impact fees associated with this project were fully expended in this current fiscal year. Expenditures in the amount of \$806,424.39 were recorded through March 31, 2023.

Wastewater Collection System Master Plan Update – FY23

Staff has entered into a professional service agreement to update the Wastewater Collection System Master Plan. The master plan process will include updating land use assumptions, wastewater demand and wastewater flow projections, wastewater hydraulic models, and providing Capital Improvements Plan. The current master plan was last updated and adopted in FY2016. With the anticipated current growth, the City is experiencing, as well as recent legislative changes to annexation laws that directly impact our (CCN) service area; staff believes an update is warranted. The project is funded with \$344,500.00 from the wastewater impact fee fund that has been transferred into the Wastewater Capital Project Fund. Expenditures in the amount of \$215,853.00 were recorded through September 30, 2023.

Wastewater Treatment Plant Master Plan Update

The current master plan was adopted in FY2017. With the anticipated / current growth the City is experiencing, as well as recent legislative changes to annexation laws that directly impact our (CCN) service area, staff believe an update is warranted. The project is funded with \$276,000.00 from the Wastewater Impact Fee Fund. Expenditures in the amount of \$54,035.00 were recorded through September 30, 2023.

Debt Service – The City issues debt for financing long-term infrastructure capital improvements. Infrastructure includes those basic physical structures provided by the 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, wastewater impact fees may be used to support and partially offset the required annual debt service for these bond funds. In FY 2022-2023, wastewater impact fees contributed \$1,227,640.00 toward the City's wastewater debt service.

Anticipated FY 23-24 Sewer Impact Fee Expenditures

Lower Mustang Creek Trunk Sewer Phase 3(Engineering Design only)

Engineering design and construction oversight services to update approximately 15,000 linear feet of 12" diameter pipe to 21" diameter sewer line that will provide service to an undeveloped area east of US Hwy 287 Bypass and FM 878/879 corridor. This project is west of the Cole Creek Trunk Sewer Project and would service approximately 1,800 acres in the drainage basin between Cole Creek and US Hwy 287 Bypass. The limits are from the existing 27" gravity sewer near the Lower Mustang Creek Lift Station, extending northwest upstream along Mustang Creek approximately and terminating near FM 878 and US Hwy 287 Bypass intersection. The project is funded with \$367,000.00 from the Wastewater Impact Fee Fund that was transferred to the Wastewater Capital Improvement Fund. This is the companion project to FM 878 at 287 Bypass Water Line project.

Grove Creek Parallel Gravity Trunk Sewer Phase IV (Construction only)

Staff entered into a service agreement for engineering design and construction oversight services to construct approximately 18,675 linear feet of 27" sanitary trunk sewer and approximately 645 five-foot diameter sanitary sewer manholes parallel to the existing Grove Creek Trunk Sewer from south of Butcher Road at Highland Village south to the Grove Creek Lift Station. The parallel sewer is expected to be situated mainly inside an existing 30-foot-wide Sanitary Sewer Easement. This project is partially funded with \$3,052,565.00 of Wastewater Impact Fees that were transferred to the Wastewater Capital Projects Fund.

Pine Meadows Oversized Wastewater Line Participation Project

Staff anticipates entering into a participation agreement with the Pine Meadows Phase II developer. The Developer will oversize an existing 12" sewer line along Cantrell Street with a 15" sewer line. The developer will be reimbursed with funds from the Wastewater Impact Fee Fund for \$75,000.00.

Roadway Impact Fees

Below is a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2022, to September 30, 2023:

Service Area	FY 2023 Start (09/30/2022)	Revenues	Expense	FY 2023 End (09/30/2023)
Service Area 1	\$507,955.89	----	----	\$531,421.67
Service Area 2	\$3,656,707.70	\$843,624.69	----	\$4,708,321.93
Service Area 3	\$759,810.47	\$154,957.20	----	\$957,026.72
Service Area 4	\$2,158,049.30	----	\$287,493.75	\$1,870,555.55
Service Area 5	\$2,597,991.27	\$164,460.36	----	\$2,890,067.18
Service Area 6	\$1,979,648.59	\$419,348.61	----	\$2,509,822.44
Service Area 7	\$1,613,465.59	\$16,149.02	----	\$1,704,897.08
Interest	----	\$675,002.53	----	----
Total	\$13,273,628.81	\$2,273,542.41	\$287,493.75	\$15,286,558.72

Roadway Impact Fee Expenditure Summary FY 22-23

Below is a summary of the projects which have been funded, or partially funded through the use of Roadway impact fees during the FY 22-23 budget year:

Farley Street Service Area 4

BGE Engineering firm has completed the concept plan for Farley Street. The limits of the Farley Street concept plan are from Richmond St. to Hwy 287. The next step is to determine the phase for 100% Plans and Construction. Expenditures in the amount of \$135,202.50 were recorded in the 2022-2023 fiscal year.

Left turn lane of Northgate onto Highway 77 Service Area 4

90% Engineering Design and begin construction in FY 2024 following TxDOT approval. Expenditures in the amount of \$152,291.25 were recorded in the 2022-2023 fiscal year.

Anticipated FY 23-24 Roadway Impact Fee Expenditures

Potential future projects for Roadways include:

Left turn lane of Northgate onto Highway 77 Service Area 4

Anticipated to start Engineering in mid-2023 and begin construction in early 2024. Negotiating contracts with the engineering firm.

Concept Plan for Broadhead Road Service Area 5

Anticipated to start the concept plan in 2024 from April Lane to North of Youngblood Rd. The concept plan will determine alignments and cost estimates for future construction phases.

Future Roadway Impact Fee Expenditure Expectations

Farley Street – Service Area 4

There is currently \$1,987,091.71 available for future projects in Service Area 4. This total is expected to be drawn down significantly by the future reconstruction of Farley Street.

Broadhead Road – Service Area 5

There is currently \$2,890,067.18 available for future projects in Service Area 5. This total is expected to be drawn down by future improvements to Broadhead Road.

Expectations Service Areas 1, 2, 3, 6, & 7

Impact fee dollars are currently being reserved in Service Areas 1, 2, 3, 6, & 7 for future projects. Staff is scheduled to meet in December of 2023 to discuss potential future projects that warrant funding in Service Areas 1, 2, 3, 6, & 7.

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 Spring of 2024, covering Impact Fee revenues and expenses from October 1, 2023, through March 31, 2024.