

A G E N D A

A regular meeting of the Impact Fee Advisory Committee of the City of Waxahachie will be held on **Monday, October 28, 2019 at 3:00 p.m.** in the Council Conference Room, 401 S. Rogers, Waxahachie, Texas.

Board Members:	Rick Keeler, Chairman
	Melissa Ballard
	David Hill
	Chuck Beatty
	Mike Ramsey
	Jeff Frazier
	Clyde Hargrove
	John Houston
	George Salvador
	Brett Hess
	Joe Rust

1. Call to Order
2. **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.
3. Approve minutes of Impact Fee Advisory Committee meeting of March 6, 2019
4. Receive and consider semi-annual report on the Impact Fee Program
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

<p style="text-align: center;"><i>Notice of Potential Quorum</i> <i>One or more members of the Waxahachie City Council may be present at this meeting.</i> <i>No action will be taken by the City Council at this meeting.</i></p>

Impact Fee Advisory Committee
March 6, 2019

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

Members Present: Rick Keeler, Chairman
David Hill
Kevin Strength
Jeff Frazier
Clyde Hargrove
Brett Hess
Joe Rust

Members Absent: Melissa Ballard
Mike Ramsey
John Houston
George Salvador

Others Present: Michael Scott, City Manager
Albert Lawrence, Assistant City Manager
Tommy Ludwig, Assistant City Manager
Shon Brooks, Planning Director
Amber Villarreal, Assistant City Secretary

1. Call to Order

Chairman Rick Keeler called the meeting to order.

2. Approve minutes of Impact Fee Advisory Committee meeting of August 27, 2015

Action:

Mr. Brett Hess moved to approve the minutes of the Impact Fee Advisory Committee meeting of August 27, 2015. Mr. Jeff Frazier seconded, All Ayes.

3. Presentation of the Five Year Impact Fee Summary Report

Assistant City Manager Tommy Ludwig explained the Impact Fee Advisory Committee will review a five year summary of revenues and expenditures from October 1, 2012 to September 30, 2018. He noted Capital Improvement Plans and Land Use Assumptions must be updated at minimum every five years and the City's next update must be completed prior to November 5, 2020 and staff is preparing for update in its FY 19-20 budget.

Planning Director Shon Brooks presented and reviewed the following Five Year Impact Fee Summary Report:

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 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 Plan 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-inch 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. The construction of this line was completed by Circle H Construction in December 2016.

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:

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	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 FY18-19 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 provide 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.

Chairman Keeler asked if the impact fees have had positive or negative feedback to developers and Mr. Clyde Hargrove noted he has not heard any complaints recently and believes the developers have been accustomed to the fees.

Mr. Brett Hess noted Waxahachie is in the middle with their impact fee rate. He explained Midlothian charges impact fees and Red Oak is in the process of implementing water and sewer impact fees.

Mr. Joe Rust noted developers will be vocal if impact fee rates are out of line.

4. Public Comments

Councilmember Melissa Olson inquired about collection rate in comparison to Frisco. City Manager Michael Scott noted we charge the max allowed by state law.

5. Adjourn

There being no further business, the meeting adjourned at 1:34 p.m.

Respectfully submitted,

Amber Villarreal
Assistant City Secretary



Memorandum

To: Impact Fee Advisory Committee
 From: Shon Brooks, Senior Director Planning
 Thru: Michael Scott, City Manager *MS*
 Date: October 18, 2019
 Re: FY 2018-2019 Impact Fee Revenue and Expenditure Activity Report

In March 2019, city staff prepared and provided a Five Year Impact Fee Revenue and Expenditure Activity Summary to the Impact Fee Advisory Committee. The activity summary detailed impact fee revenue and expenditures from October 1, 2012 to September 30, 2018. The following report entails the Impact Fee Revenue and Expenditure Activity summary for the 2018-2019 fiscal year. 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.

Impact Fee Revenues and Expenditures

Below are tables illustrating the revenues and expenditures for water, sewer, and roadway impact fees from October 1, 2018 to September 30, 2019, with a brief explanation of the associated expenditures from each. Please note there are a number of pending impact fee charges for which the City has not yet been invoiced for, for work that was completed in the FY18-19 fiscal year. These charges will reflect as impact expenses in the FY18-19 fiscal year once invoices have been received and processed for payment.

Water Impact Fees

Fiscal Year	FY 18-19
Beginning Balance	\$3,603,776.42
Revenues	\$953,927.63
Expenses	-\$80,550
Ending Balance	\$3,053,559.05

Water Impact Fee Expenditure Summary FY 18-19

Below is a brief summary of the projects which have been funded, or partially funded through the use of water and sewer impact fees during the FY 18-19 budget year:

- **FM 664 Water Line Project:** This project will provide for the construction of approximately 6,000 linear feet of 24" diameter water transmission line, which will run from the elevated storage tank on FM 664 south to the intersection of Business 287 and FM 664. This project will provide water services to the Ridge Crossing and Shepard's Place developments, and support future developments west of IH 35 in this area. City Council awarded a Construction Bid to Circle H Contractors for \$1,172,803 in August of 2019. Staff originally projected to expend the entire project cost in the FY18-19 budget year, however the project was bid later in the fiscal year as easement acquisitions necessary for the line took longer than anticipated. Staff estimates that approximately \$582,000 worth of impact fee expenses will be charged to the FY18-19 fiscal year; a portion of these expenses appear in the table above. Construction is scheduled to be completed in early 2020. The remaining cost of the line will be paid for from Impact Fees, but post to the FY19-20 Fiscal Year.
- **BNSF Railroad 18" Water Transmission Line Project Phase 1:** This project will construct an 18" water line from the existing 24" water line on Butcher Road to Cardinal Road. The project will parallel the BNSF Railroad, and is part of a larger series of water infrastructure improvements that will help facilitate transmission of water from the Sokoll Water Treatment Plant into the Northern Service Area and reducing pumping and transmission needs from the Southern (715) Service Area. On September 3, 2019 the City Council awarded a design contract to Kimley-Horn for \$133,500. Staff originally anticipated expending the entire project costs associated with the engineering of this line in the FY18-19 Fiscal Year, however the project was awarded later in the year as staff had to address design updates that would affect future phases of the project. As a result, staff estimates approximately \$20,000 will be spent in the FY18-19 Fiscal Year; a portion of these expenses appear in the table above. The remainder of the project costs will be expended through Impact Fees in FY19-20. Design is anticipated to be completed by early 2020.
- **Howard Road Water Treatment Plant Land Acquisition:** In FY 2018-19 the City negotiated the purchase of 25 acres of land contiguous to the Howard Road Water Treatment Plant Property. This land purchase will allow for the expansion of the plant for additional water treatment to accommodate growth in the system. Impact Fees were used to fund a portion of the land purchase. The total land acquisition cost was \$594,000, of which the City had allocated \$400,000 in the FY 2017-18 bond sale. The remainder of \$194,000 was funded using impact fees; these charges do not appear in the table above.

Sewer Impact Fees

Fiscal Year	FY 18-19
Beginning Balance	\$3,822,965.79
Revenues	\$1,152,265.00
Expenses	-\$1,530.14
Ending Balance	\$4,973,700.65

Sewer Impact Fee Expenditure Summary FY 18-19

Below is a brief summary of the projects which have been funded, or partially funded through the use of water and sewer impact fees during the FY 18-19 budget year:

- Water System Master Plan Update: In March 2019, City Staff authorized Birkhoff, Hendricks, and Carter, LLP to perform an engineering analysis of the City's wastewater collection system in the amount of \$1,530.14. The analysis was based upon the results of flow monitoring and its purpose was to assist with identifying which lines in the collection system need to be expanded in future years of the City's Capital Improvement Plan.

Staff initially planned to expend approximately \$4,000,000 from Impact Fees in FY18-19, with \$2,000,000 being ear marked for the Waste Water Treatment Plant Rehabilitation Project and another \$2,000,000 designated for the Grove Creek and Lower Mustang Creek Lift Station Improvements. Ultimately no impact fee funds associated with either of these projects were expended in the FY18-19 Fiscal Year. Below is a brief summary explaining the deviation from staff's original plan, as outlined in the March 2019 Impact Fee Report.

- Waste Water Treatment Plant Rehabilitation Project: In the March 2019 Impact Fee Report, staff anticipated spending \$2,000,000 from Impact Fees on the Waste Water Treatment Plant Rehabilitation Project in FY18-19. The total project cost was estimated to be approximately \$14,000,000, of which the remaining funds would come from Certificate of Obligation Bonds. Due to the overall cost of the plant rehabilitation, the project could not be bid until bonds were approved by City Council. City Council voted to approve the bond sale on September 16, 2019 the last Council Meeting of the FY18-19 Fiscal Year. The Waste Water Treatment Plant Rehabilitation Bid Award will appear before City Council on October 21, 2019. If approved, approximately \$2,650,000 of Impact Fee funding will be expended in FY19-20.
- Grove Creek and Lower Mustang Creek Lift Station Improvements: In the March 2019 Impact Fee Report, staff anticipated spending approximately \$2,000,000 from Impact Fees on Grove Creek and Lower Mustang Creek Lift Station Improvements. Originally the \$2,000,000 from Impact Fees was planned to fully fund the improvements to both sites, however the bids for the projects came in collectively at approximately \$3,287,000. As bids came in higher than anticipated, staff coordinated with Finance on the best path forward for funding the projects. Ultimately Finance determined there was sufficient capacity to fund

these projects through Certificate of Obligation Bonds, and it would be in the City's best interest to preserve the remaining balance of Sewer Impact Fees for future debt service payments.

Current Roadway Impact Fees

Below is a table illustrating the revenues and expenditures for roadway impact fees from October 1, 2018 to September 30, 2019:

Service Area	FY 2019 Start	Revenues	Expense	FY 2019 End
Service Area 1	\$557,381.14	\$162,118.32	\$0.00	\$733,009.58
Service Area 2	\$56,977.72	\$512,922.67	-\$94,266.00	\$484,565.43
Service Area 3	\$79,328.40	\$34,594.15	\$0.00	\$116,061.69
Service Area 4	\$522,794.95	\$108,676.67	\$0.00	\$643,328.83
Service Area 5	\$858,049.63	\$289,864.64	\$0.00	\$1,169,468.78
Service Area 6	\$688,244.94	\$253,355.40	\$0.00	\$959,280.87
Service Area 7	\$561,814.36	\$97,639.00	\$0.00	\$671,835.99
Interest	----	\$88,055.19		
Total	\$3,324,591.14	\$1,547,226.04	\$94,266.00	\$4,777,551.17

Roadway Expenditure Summary

Below is a brief summary of the projects which have been funded, or partially funded through the use of roadway impact fees during the FY 18-19 fiscal year:

- Vista Way: Funds from Service Area 2 were utilized to assist in the construction of Vista Way (anticipated completion June 2020). Vista Way is a primary north-south collector road for North Grove Boulevard and will also provide the main point of access for the new Max Simpson Elementary School. Funding for this project is through a cost sharing development agreement between the City of Waxahachie (75%) and John Houston Development Company (25%). The total City portion of the agreement shall not exceed \$750,000. In total, \$571,267 of the cost are Impact Fee eligible. Staff anticipates approximately \$94,000 worth of Impact Fee eligible expenses for this project will be charged to the FY18-19 Fiscal Year; these charges appear in the table above. The remaining Impact Fee eligible expenses associated with this project will occur in FY19-20, with the non Impact Fee eligible expenses being funded through the General Fund.

Anticipated FY19-20 Impact Fee Expenditures

Below is a brief summary of the projects intended to be funded, or partially funded, with impact fees in the FY19-20 Budget Year:

- Water 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. The City will engage with a professional engineering firm in FY 2019-20 to assist in updating the City’s Sewer Impact Fees. The City will engage with a professional engineering firm in FY 19-20 to assist in updating the City’s Water Impact Fees. The total project cost is estimated to be approximately \$50,000. A companion project for the sewer impact fees update is included in the sewer summary of this report.
- BNSF Railroad 18” Water Transmission Line Phase 2 – (Engineering Design Only) This is the second phase of the BNSF Railroad 18” Water Transmission Line Project. This would connect the 18” water line at Cardinal Road to the existing 14” water line coming from the Solon Rd Elevated Storage Tank. This project is part of a larger series of water infrastructure improvements that will help facilitate transmission of water from the Sokoll Water Treatment Plant into the Northern Service Area and reducing pumping needs from the Southern Service Area. This would fund the design phase of the project. The design phase is estimated to cost approximately \$132,000. Construction is included in the FY 19-20 5 Year CIP Plan.
- Distribution Line: Loftland 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 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. For FY 2019-20, impact funds will be used to fund the design phase of this project. The estimated cost for design is approximately \$310,000. Construction is included in the FY 19-20 5 Year CIP Plan.
- 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. The City will engage with a professional engineering firm in FY 2019-20 to assist in updating the City’s Sewer Impact Fees. The total project cost is estimated to be approximately \$45,000. A companion project for the water impact fees update is included in the water summary of this report.
- 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 FY19-20, the City will contract with an engineering firm for an estimated \$50,000 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 will remit payment for their proportionate share of the

analysis, based on the amount of improvements identified within the specific service areas.

- 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 utilizing the City's General Fund, rather than using 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. Any reimbursed funds would be utilized for street related maintenance and/or improvement activities.
 - Kaufman Street: Funds will be utilized to augment bond funding to restore Kaufman Street. This project is a corridor restoration on Kaufman Street from Martin Luther King Jr. Boulevard to E. Marvin Ave. and will replace the street pavement, drainage, water, sewer, sidewalks, and street lights on both sides of the street. Along with bond funding, \$805,368 of Service Area 5 funding will be utilized in FY 19-20.
 - Cumberland Street Funds will be utilized to augment operation and maintenance funding to restore Cumberland Street. This project is a corridor restoration on Cumberland Street from Richmond Lane to Monticello Drive and will replace the pavement, drainage, water, sewer, sidewalks, and street lights on both sides of the street. Along with operation and maintenance funding, \$81,440 of Service Area 6 funding will be utilized in FY 19-20.
- 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 water, sewer and roadway 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.

Next Steps

As stated above, City staff anticipates to 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. Staff will provide its next report to the Advisory Committee in April 2020, covering revenues and expenses for half of the FY19-20 budget year.

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

Shon Brooks