

Memorandum

To: Honorable Mayor Shetter and members of the Burleson City Council

From: Aaron Russell, P.E., Public Works Director

Date: January 5, 2009

Subject: Minute Order MO-09-051, accepting the Water / Wastewater Impact Fees Report.

Council Action Requested:

Approve Minute Order MO-09-051, accepting the Water/Wastewater Impact Fees Report.

Background Information:

One of the functions of the Capital Improvements Advisory Committee (CIPAC) is to file semiannual reports evaluating the progress of the City in achieving the capital improvements plans. In addition, the committee is tasked with identifying any problems in implementing the plans or administering the impact fees, and any perceived inequities in administration of the fee. The CIPAC has prepared their report for the period from April 1, 2008 through September 30, 2008.

Impact fees collected during this reporting period total \$302,004.51. The collections within the reporting period are approximately 12% less than budget projections. See page 7 of the report for details. The lower collections correspond with the slow-down in building permit issuance.

The attached Water / Wastewater Impact Fees Report shows the breakdown of collections for water and wastewater. Each is further broken into commercial and residential collections. The report also provides the progress the City has made to date relative to the completion of the Impact Fee Capital Improvement Plan.

Board/Citizen Input:

The Capital Improvements Program Advisory Committee (CIPAC) met on Tuesday, December 9, 2008 and approved the report. The CIPAC is appointed by the City Council and composed of citizens of the community.

Financial Considerations:

N/A

Attachments:

The Water / Wastewater Impact Fees Report is attached for City Council's review.

Staff Contact:

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Water / Wastewater Impact Fees Semiannual Report

April 1, 2008 through September 30, 2008

Capital Improvements Program Advisory Committee

COMMITTEE MEMBERS:

**Rocky Bransom, Chair
Byron Black, Vice-Chair
Donna Key
Del Winn
Steve Sechrist**

January 5, 2009

EXECUTIVE SUMMARY

Authorization and General Methodology

Chapter 395 of the Texas Local Government Code describes the process by which cities in Texas must establish and manage development impact fee programs. This report, prepared by the Capital Improvements Program Advisory Committee, provides the status of the City of Burleson's Water and Wastewater Impact Fee Program.

The concept behind the impact fee program is that new development should pay for some underlying portion of the cost of new public water and wastewater infrastructure required to serve the new development. The impact fees charged to new development are based upon an estimate of the cost of new infrastructure required to adequately serve the growth over a ten-year period. The growth estimates are based on regional population and employment projections developed by the North Central Texas Council of Governments, the City of Burleson's Comprehensive Plan, and the amount of vacant land available for development.

Current Impact Fee Program

The Burleson City Council approved the implementation of water and wastewater impact fees on November 15, 2005. Collection of the fees, which have been set at 50% of the actual cost to provide adequate infrastructure for new development, began on November 16, 2005. The City is required, by state law, to submit a report semiannually providing the status of the impact fee program.

This report covers the period from April 1, 2008 through September 30, 2008. During this reporting period, the City collected \$302,004.51.

Conclusions

The following conclusions have been made by the Capital Improvements Program Advisory Committee:

1. Revenue generated by the program during this reporting period was lower than budget projections. However, the collections are keeping pace with the general residential slow-down.
2. Construction of capital improvements identified in the capital improvement plan is progressing on schedule.
3. Refunds of collected impact fees will not be necessary because of the pace of implementation of the capital improvements program.
4. The administration of the program has been fair and equitable.

Construction Activity Report

The Capital Improvements Program Advisory Committee finds that the City is making progress in completing the water and sanitary sewer projects identified in the capital improvements plan. The following list shows those projects identified in the capital improvements plan that have had construction activity since the adoption of impact fees. The project numbers shown on the table correspond to the project numbers shown in Figure 1.

Projects Complete from Ordinance Adoption to Reporting Period (Nov. '05 – April '08)	Projects Complete during this Reporting Period (April '08 – Sept. '08)	Projects Under Construction During Reporting Period (April '08 – Sept. '08)
Water - Pumping		
1. Brushy Mound Pump Station Expansion		
2. Shaffstall Pump Station		
Water - Ground Storage		
3. Shaffstall Ground Storage		
Water - Elevated Storage		
4. Turkey Peak Elevated Storage Tank		
Water - Transmission Lines		
6. Southwest System Improvements		
7. North City 12" Loop (Mistletoe Hill Portion)		
8. Hidden Creek Parkway Water Line Improvements		
9. Alsbury Boulevard (Villages of Wakefield) 16" Water Line		
10. West Bend 12" Loop (Through West Bend, Phase 5)		
15. Upper Pressure Plane Improvements		
Sewer - Collection Lines		
11. Village Creek Relief Line	16. Village Creek Relief Line (Town Creek to SH 174)	
12. North Creek Relief Line (Mistletoe Hill participation portion)		
13. Town Creek Relief Line		
14. Shannon Creek Trunk Line		

Figure 1 shows the locations of projects identified in the plan that were completed or active since the implementation of the Impact Fee Ordinance. Activity includes only construction.

FIGURE 1 – CONSTRUCTION ACTIVITY MAP

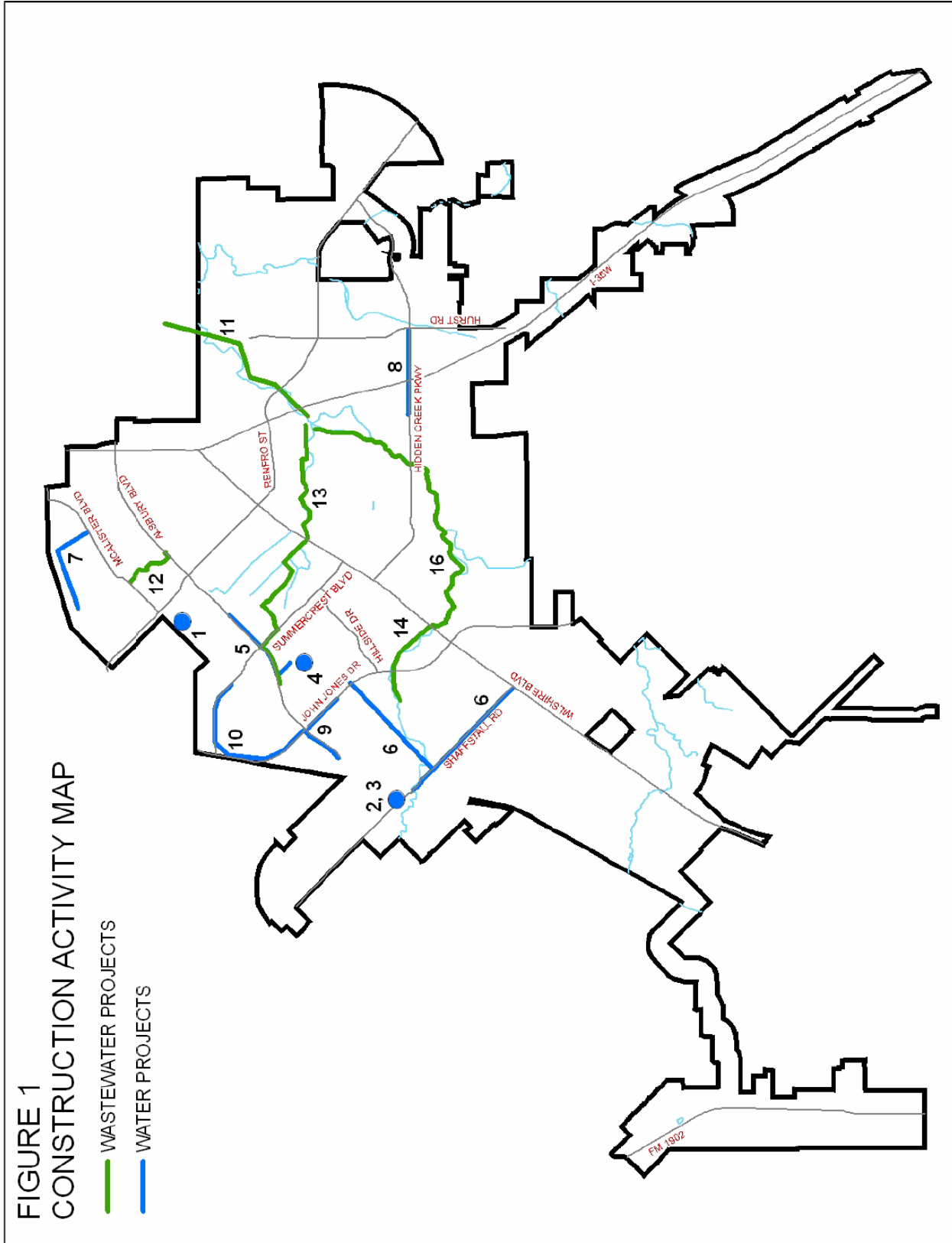


FIGURE 1
CONSTRUCTION ACTIVITY MAP

- WASTEWATER PROJECTS
- WATER PROJECTS

In addition, the following list contains projects that were completed prior to the implementation of impact fees and had available capacity at the time of implementation. The incremental cost of the available capacity may be reimbursed to the appropriate water or wastewater fund to finance or to recoup capital construction costs of service, to retire bonds, or to pay the principal sum and interest and other finance costs on bonds, notes or other obligations.

Water – Transmission Lines

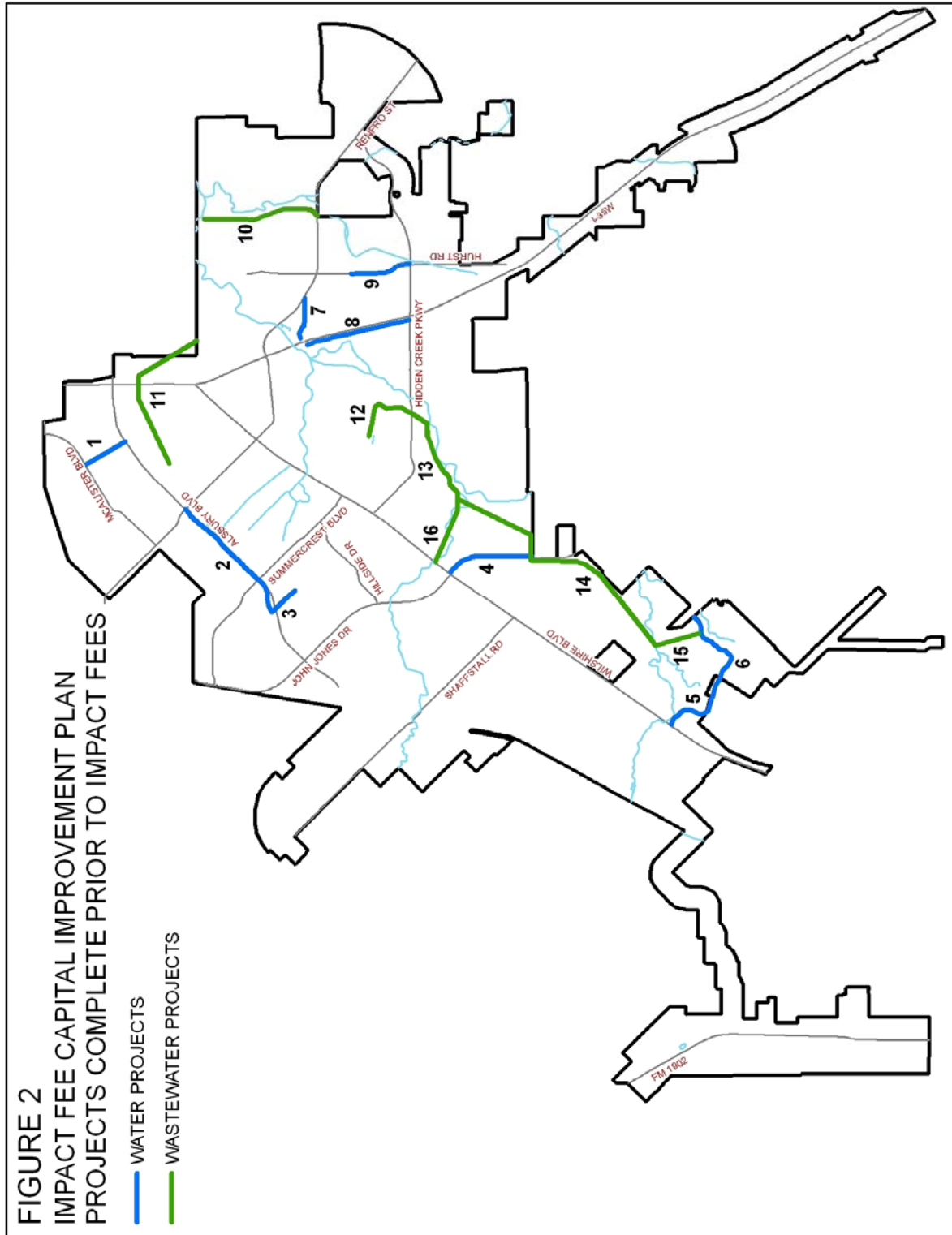
1. Hemphill (Alsbury to McAlister) 12" Water Line
2. Alsbury (Renfro to Fire Station 1) 16" Water Line
3. Turkey Peak Supply Line from Alsbury 16" Water Line
4. FM 731 (SH 174 to CR 714) 12" Water Line
5. Mountain Valley Elevated Storage 12" Supply Water Line
6. Mountain Valley 12" Water Line
7. Memorial Plaza 12" Water Line
8. I-35W along Hidden Creek Golf Course 20" Water Line
9. Hurst (Hurst Creek to HCP) 12" Water Line

Sanitary Sewer – Collection Lines

10. Hurst Creek (Village Creek to Oak Valley) 18" Collection Line
11. North Creek (Village Creek to Douglas Street) 18", 15", and 12" Collection Line
12. Evans Tract 12" Collection Line
13. Village Creek (Evans Tract to Shannon Creek) 15" Collection Line
14. Village Creek (Shannon Creek to Mountain Valley Lake) 15" Collection Line
15. Village Creek (Mountain Valley Lake to Mountain Valley) 12" Collection Line
16. Shannon Creek (Village Creek to SH 174) 12" Collection Line

Figure 2 shows the locations of projects eligible for reimbursement that were completed prior to implementation of impact fees.

FIGURE 2 – IMPACT FEE CAPITAL IMPROVEMENT PLAN PROJECTS COMPLETE PRIOR TO IMPACT FEES



Impact Fee Revenue Summary

Service units (living unit equivalent) for water and sanitary sewer are based upon "3/4 inch water meter equivalents." From April 1, 2008 through September 30, 2008, the City of Burleson has collected \$302,004.51 in impact fee revenue. This revenue is broken down as follows:

Description	Water		
	Residential	Commercial	Total
# Service Units Charged	194*	69**	263
\$ Service Units Charged	\$156,142.84	\$55,535.31	\$211,678.15
\$ Offsets/Credits Earned	\$5,001.81	0	\$5,001.81
\$ Net Amount Collected	\$151,141.03	\$55,535.31	\$206,676.34

* Based on 190 residential permits issued.

**Based on 13 commercial permits issued.

Description	Wastewater		
	Residential	Commercial	Total
# Service Units Charged	202	40*	242
\$ Service Units Charged	\$79,989.98	\$15,839.52	\$95,829.50
\$ Offsets/Credits Earned	\$501.33	0	\$501.33
\$ Net Amount Collected	\$79,488.65	\$15,839.52	\$95,328.17

* Based on 6 commercial permits issued.

Budget Comparison

Impact Fee	Collected in FY2008	Budget	% of Budget Amount Collected
Water	\$400,481.15	\$423,163.00	95%
Wastewater	\$178,351.07	\$236,376.00	75%
Total	\$578,832.22	\$659,539.00	88%

Residential building permits for this reporting period are down approximately 21% from last year's permit issuance. Commercial permits are up 11% from last year's permit issuance. The difference in the water and sewer percentages is due mostly to offsets to the sewer impact fees in Wakefield Heights, Phase 1 and water taps for gas wells where sewer impact fees are not collected.

Capital Improvements Plan – Proposed Facilities Status

The following tables provide the status of all projects on the Impact Fee Capital Improvement Plan as of March 31, 2008.

**TABLE 1: IMPACT FEE CAPITAL IMPROVEMENT PLAN
PROPOSED WATER FACILITIES
(PUMPING/GROUND STORAGE/ELEVATED STORAGE)**

LOCATION DESCRIPTION	SIZE	STATUS OF CONSTRUCTION
Brushy Mound Pump Station Expansion	3.0 MGD	Complete
Shaffstall Pump Station	5.0 MGD	Complete
Mountain Valley Pump Station Expansion	3.0 MGD	Proposed 2009
Alsbury Pump Station Expansion	10.0 MGD	Proposed 2009**
Shaffstall Ground Storage	2.0 MG	Complete
Westside Ground Storage	1.0 MG	Proposed 2015
Shaffstall Ground Storage	2.0 MG	Proposed 2015
Turkey Peak Elevated Storage	0.75 MG	Complete
I-35 Elevated Storage	1.5 MG	Proposed 2009

**TABLE 2: IMPACT FEE CAPITAL IMPROVEMENT PLAN
PROPOSED WATER FACILITIES
(TRANSMISSION LINES)**

LOCATION DESCRIPTION	SIZE	STATUS OF CONSTRUCTION
Upper Pressure Plane	16", 12", 8"	Complete
Southwest Supply System	24", 16", 12"	Complete
North City Loop	12"	Partially Complete *
SH 174 (Shaffstall to Wicker Hill)	16"	Proposed 2009
Hidden Creek Pwky (HC Tank to Hurst)	20", 12"	Complete
FM 731/Alsbury WL	16"	Proposed 2008
I-35W (Industrial GS to HCGC)	24"	Proposed 2009**
Chisenhall/Future Hulen WL	16", 12"	Proposed 2011
West Bend Loop	12"	Partially Complete*
Hulen (FM 731 to Chisenhall WL)	16", 8"	Proposed 2012
Westside WL	20"	Proposed 2014
Wicker Hill to Mountain Valley	12"	Proposed 2014
Upper Pressure Plane	8"	Complete

*These projects are being constructed with phases of the development. They will be completed as future phases of the development are constructed. The City does not have plans to complete these loops with city funds at this time.

**These projects are related and have been moved back a year. The scope of the projects is being reevaluated due to water supply limitations from Fort Worth in this area.

**TABLE 3: IMPACT FEE CAPITAL IMPROVEMENT PLAN
PROPOSED WASTEWATER FACILITIES
(PUMPING)**

LOCATION DESCRIPTION	SIZE	STATUS OF CONSTRUCTION
SH 121 Lift Station	2.38 MGD	Proposed 2013

**TABLE 4: IMPACT FEE CAPITAL IMPROVEMENT PLAN
PROPOSED WASTEWATER FACILITIES
(COLLECTION LINES)**

LOCATION DESCRIPTION	SIZE	STATUS OF CONSTRUCTION
Village Creek Relief Line (FW Meter to Town Creek)	36",30",27"	Complete
North Creek Relief Line (Village Creek to McAlister)	15",12"	Proposed 2008
Town Creek Relief Line (Village Creek to FM 731)	24",21",18", 15",12",10"	Complete
Village Creek Relief Line (Town Creek to SH 174)	24"	Complete
Shannon Creek Trunk Line (SH 174 to Prairie Timber)	24",18"	Complete
Village Creek Relief Line (Shannon Creek to Cross Timber)	15",12"	Proposed 2010
South Shannon Creek Trunk (Shannon Creek to Tantara)	10"	Proposed 2011
Willow Creek Trunk & Relief Line	15",10"	Proposed 2012
SH 121 Corridor Trunk	12"	Proposed 2013
Quil Miller Trunk (Hurst Creek to Taylor Bridge Est)	15"	Proposed 2008
Quil Miller Trunk (Taylor Bridge Est to I-35W)	12"	Proposed 2009
Northeast Trunk Line (Village Creek to C.L.)	12"	Proposed 2014

Administration

The Capital Improvements Program Advisory Committee finds that adequate progress is being made in the implementation of the impact fee capital improvements plan. There have not been any problems identified in implementing the plan or administering the impact fees. Additionally, no inequities have been identified in the administration of the fee.

Conclusions

The following conclusions are made by the Impact Fee Capital Improvements Program Advisory Committee:

1. Revenue generated by the program during this reporting period was lower than budget projections. However, the collections are keeping pace with the general residential slow-down.
2. During this reporting period, one wastewater project was completed and construction continued on one wastewater project that was under construction in the previous reporting period. The implementation of the capital program is on schedule.
3. The pace of development, the pace of implementing the capital improvement plan, the 50% collection methodology, and the "first in, first out" impact fee accounting method eliminate the possibility of refunds of impact fees in accordance with state law.
4. Collection of impact fees reduces the debt required for the construction of new water and wastewater infrastructure to serve new development.
5. The administration of the program has been fair and equitable.

Based on the above findings, we conclude that the City of Burleson impact fee program for the period from April 1, 2008 to September 30, 2008 generally succeeded in meeting expectations of revenues and expenditures.