

Memorandum

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

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

Date: June 1, 2009

Subject: Minute Order MO-09-060, accepting the Water / Wastewater Impact Fees Report.

Council Action Requested:

Approve Minute Order MO-09-006, 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 October 1, 2008 through March 30, 2009.

Impact fees collected during this reporting period total \$125,888.36. The collections within the reporting period are approximately 58% less than budget projections. See 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, May 19, 2009 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.

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Water / Wastewater Impact Fees Semiannual Report

October 1, 2008 through March 31, 2009

Capital Improvements Program Advisory Committee

COMMITTEE MEMBERS:

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

June 1, 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 October 1, 2008 through March 31, 2009. During this reporting period, the City collected \$125,888.36.

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 generally 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 – March '09)
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
12. North Creek Relief Line (Mistletoe Hill participation portion)
13. Town Creek Relief Line
14. Shannon Creek Trunk Line
16. Village Creek Relief Line (Town Creek to SH 174)

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

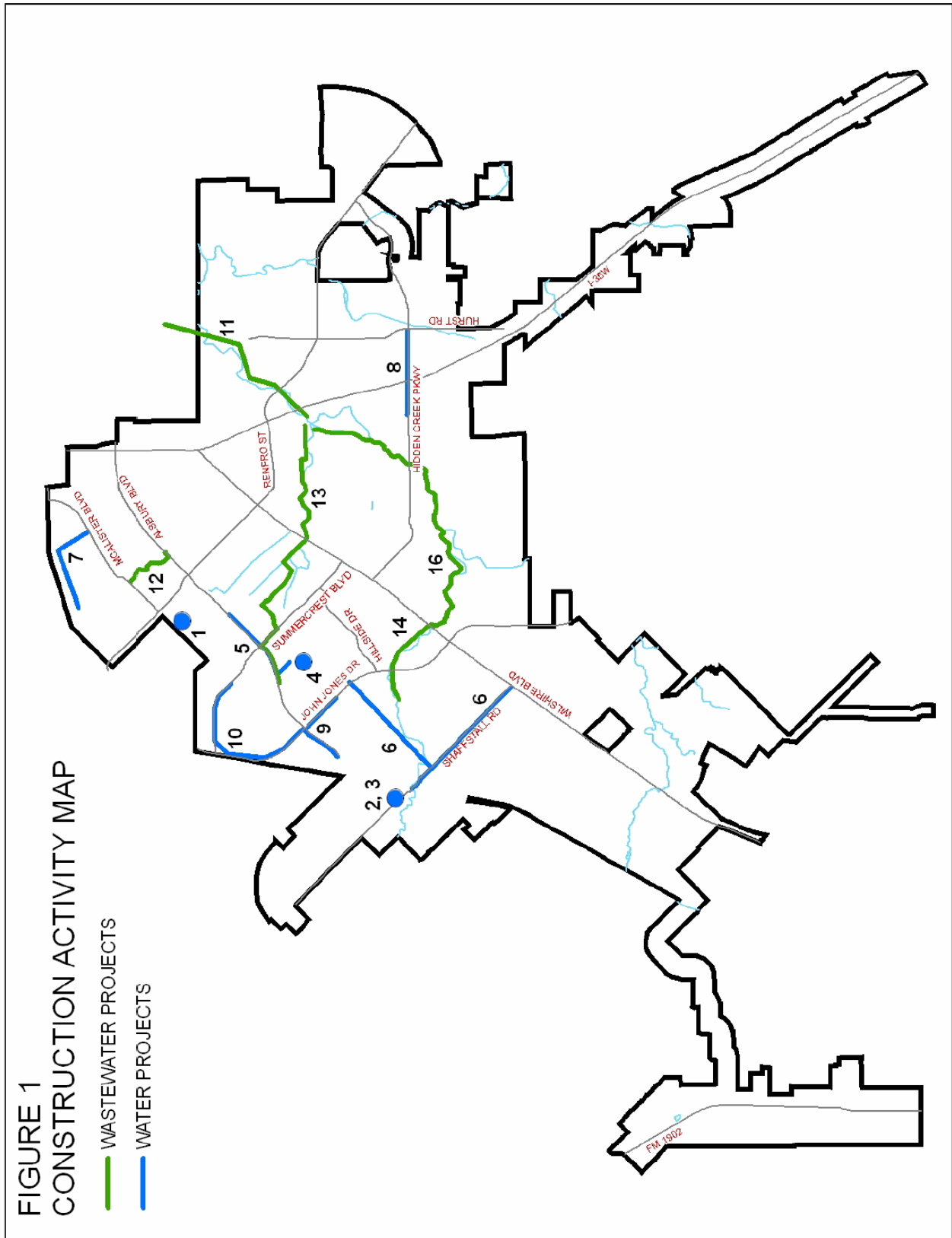


FIGURE 1
CONSTRUCTION ACTIVITY MAP

- 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

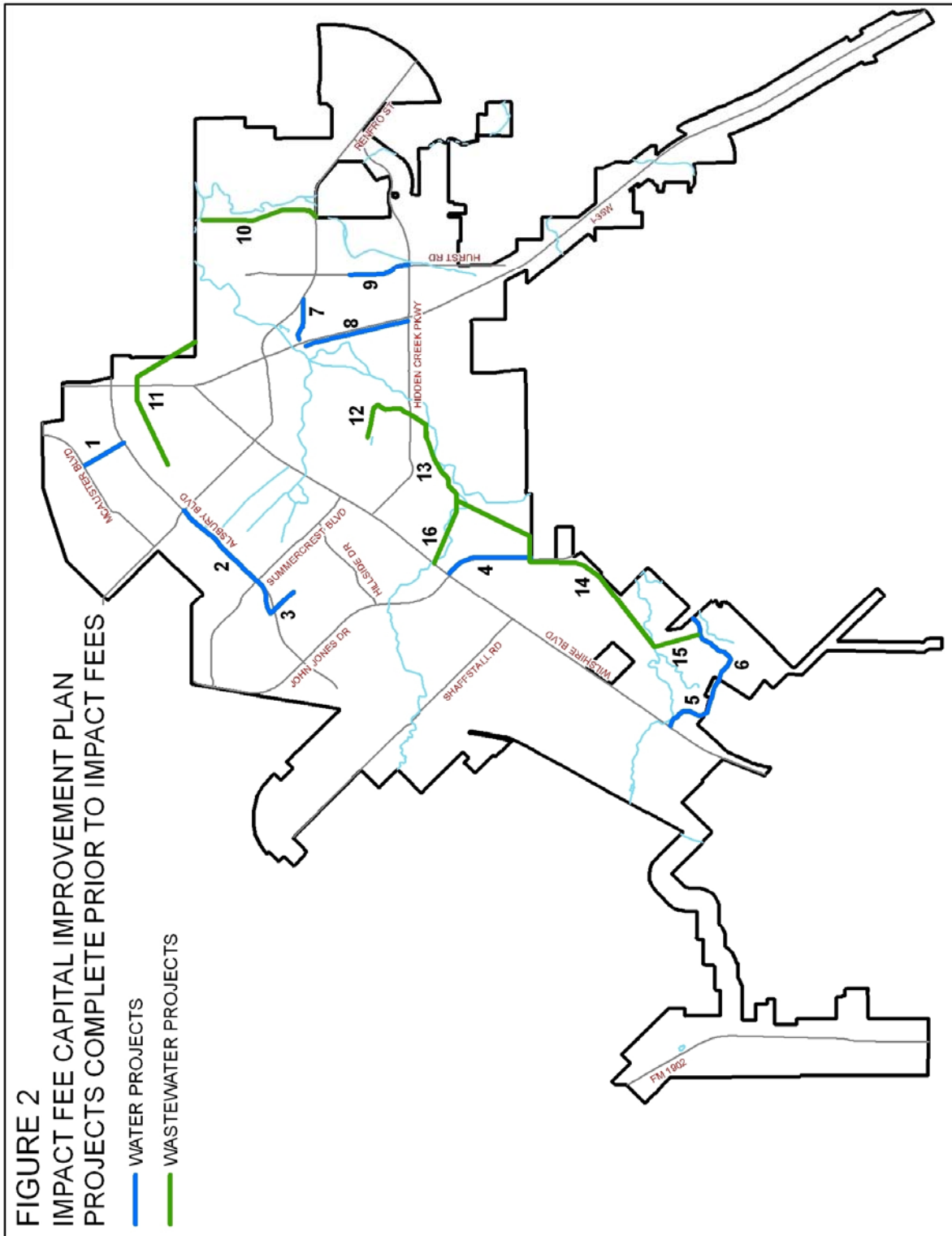
1. Hemphill (Alsbury to McAlister) 12" Water Line
2. Alsbury (Renfro to Fire Station 1) 16" Water Line
3. Turkey Peak Supply Line from Alsbury 16" Water Line
4. FM 731 (SH 174 to CR 714) 12" Water Line
5. Mountain Valley Elevated Storage 12" Supply Water Line
6. Mountain Valley 12" Water Line
7. Memorial 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 October 1, 2008 through March, 2009, the City of Burleson has collected \$125,888.36 in impact fee revenue. This revenue is broken down as follows:

Description	Water		
	Residential	Commercial	Total
# Service Units Charged	89	16.5	105.5
\$ Service Units Charged	\$71,632.54	\$13,280.18	\$84,912.72
\$ Offsets/Credits Earned	\$1,247.81	0	\$1,247.81
\$ Net Amount Collected	\$70,384.73	\$13,280.18	\$83,664.91

Description	Wastewater		
	Residential	Commercial	Total
# Service Units Charged	94	13	107
\$ Service Units Charged	\$37,223.06	\$5,147.84	\$42,370.90
\$ Offsets/Credits Earned	\$147.45	0	\$147.45
\$ Net Amount Collected	\$37,075.61	\$5,147.84	\$42,223.45

Budget Comparison

Impact Fee	Collected in first half of FY2009	Budget for FY2009 (full year)	% of Budget Amount Collected
Water	\$83,664.91	\$426,370	20%
Wastewater	\$42,223.45	\$182,650	23%
Total	\$125,888.36	\$609,020	21%

As seen in the Budget Comparison Table above, revenues are approximately 58% below the projected budget. Residential building permits for this reporting period are down approximately 37% from this period last year. Commercial permits are up 18% from last year's permit issuance. However, the increase in commercial permits is not reflected in the impact fees because the total permits include remodels and interior finish permits, the new high school to which impact fees do not apply and the new recreation center which is using existing utility connections. The year end budget projection is currently being revised to reflect the shortfall.

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, 2009.

**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 2010
Alsbury Pump Station Expansion	10.0 MGD	Proposed 2010**
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 2010

**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 2010
Hidden Creek Pwky (HC Tank to Hurst)	20", 12"	Complete
FM 731/Alsbury WL	16"	Proposed 2009 (ROW Acquisition Underway)
I-35W (Industrial GS to HCGC)	24"	Proposed 2010**
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.

**These projects are related and have been moved back. 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 Alsbury)	15",12"	Proposed 2009
North Creek Relief Line (Alsbury to McAlister)	15",12"	Complete
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 Tantarra)	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 Hidden Creek Pkwy)	15"	Complete
Quil Miller Trunk (Hidden Creek Pkwy to I-35-W)	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.
2. The implementation of the capital program is generally 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 October 1, 2008 to March 31, 2009 generally succeeded in meeting expectations of revenues and expenditures due to the general development market slowdown.