



MEMORANDUM

Meeting Date: January 14, 2020

Item No. B-2

To: Capital Improvements Advisory Committee

From: Alonzo Liñán, Director of Public Works

Subject: **STATUS REPORT FOR IMPACT FEE PROGRAMS**
October 1, 2018 thru March 31, 2019

The current impact fees amounts are based on an impact fee study by Freese and Nichols, Inc. dated March 2015 (and adopted by Council June 2, 2015). The study identifies a list of capital projects for which impact fees can be used between 2014 and 2024. The study assumed an annual growth rate of 2%. The study's capital project list is not the annually adopted capital project improvement budget, nor does it set project scope or project budget which is adopted by Council. The study identifies the maximum impact fee amount that can be collected per project. The actual amount impact fee collected in each category is shown in the table below.

As it relates to the use of impact fees, the city transfers impact fee funds quarterly into capital projects which is reflected in the following tables. In doing so, a funding commitment of impact fees to a project is equivalent to an approved expenditure, regardless of the year-to-date spending on the project. The fiscal year expenditures impacted by the policy are indicated with an asterisk (*). The expected expenditures of impact fees reflect the transfer amounts, rather than year-to-date expenditures of the project which is addressed in separate tables in the report. As it relates to capital budgets in the summary schedule of adopted project revenues and expenditures tables below, capital projects use project life budgeting; meaning funds are available until the project is closed out. Both the transfer of impact fees and project life budgeting are based upon financial policies and budget amendments adopted by Council during FY 2015-16. The financial policies have been re-adopted for FY 2017-18.

Table 1-1 - Assessment Rate by Service Unit (S.U.s) As Adopted by Council on June 2, 2015			
Impact Fee	Assessment Rates/S.U.	Collected Rates/ S.U.s	Collection Rate divided by Assessment Rate
Water	\$ 2,918.00	\$ 979.10	33.6%
Wastewater	\$ 1,835.00	\$ 918.00	50.0%
Roadway:		Res / Non-Res / Ret	Res / Non-Res / Ret
North	\$ 3,082.00		34.2% / 20.3% / 8.5%
South	\$ 1,720.00	\$860.00/626.18/263.09	50% / 36.4% / 15.3%

Table 1-2 - Service Units (S.U.s) Collected and Collection for June 2, 2015 through March 31, 2019					
Impact Fee	Projected S.U.'s/ 46 months	Collected SUs	% S.U.s Collected	Amount Collected	
Water	1,785	976.2	54.7%	\$	951,557
Wastewater	2,231	867.8	38.9%	\$	796,087
Roadway:					
North	2,573	1,413.8	54.9%	\$	950,072
South	3,088	3,041.2	98.5%	\$	1,486,401

WATER SYSTEM IMPACT FEE AND CAPITAL PROJECTS SUMMARY

The following table provides water impact fee collection for the two six-month periods of each fiscal year along with a total of twelve month activity for the current and prior five fiscal years. In addition, the six year total and average is provided.

Table 2-1 - Water Impact Fee Collections by Fiscal Year 6 Month & 12 Month Activity					
Fiscal Year		Impact Fees Collected Oct. thru Mar.	Impact Fees Collected Apr. thru Sept.	Impact Fees Collected Oct. thru Sept.	Fund Balance
FY 2013-14		313,090	173,842	486,932	4,341,719
FY 2014-15		145,926	101,198	247,124	4,160,740
FY 2015-16		132,338	154,502	286,840	2,540,445
FY 2016-17		188,281	101,533	289,814	(269,226)
FY 2017-18		61,781	114,917	176,699	32,950
FY 2018-19		111,226		111,226	144,176
6-Year Total		\$ 952,642	\$ 645,992	\$ 1,598,634	
6-Year Average		\$ 158,774	\$ 129,198	\$ 266,439	

The following table provides water impact fee expenditures for the two six-month periods of each fiscal year along a total of twelve month activity for the current and prior five fiscal years. In addition, the six year total and average is provided.

Table 2-2 - Water Impact Fee Expensed by Fiscal Year 6 Month & 12 Month Activity				
Fiscal Year		Impact Fees Expensed Oct. thru Mar.	Impact Fees Expensed Apr. thru Sept.	Impact Fees Expensed Oct. thru Sept.
FY 2013-14		108,339	144,712	253,051
FY 2014-15		23,997	404,105	428,103
FY 2015-16*		164,116	1,743,019	1,907,135
FY 2016-17*		1,549,743	1,549,743	3,099,485
FY 2017-18*		50,000	50,000	100,000
FY 2018-19*		-	-	-
6-Year Total		\$ 1,896,195	\$ 3,891,579	\$ 5,787,774
6-Year Average		\$ 316,032	\$ 648,597	\$ 964,629

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

The following table outlines the existing water distribution system projects that supply capacity needed for the 10-year planning period (2014-2024) as derived by the most recent impact fee study. It also outlines the proposed capital improvement projects to be needed within the next ten (10) years with the estimates percent utilization for that planning period.

Table 2-3 - Water Distribution System Improvements 2014-2024
Cost Allocation for Impact Fee Calculations

No.	Description of Project	Percent Utilization			Costs Based on 2014 Dollars		
		2014	2024*	2014-2024	Capital Cost	Current Development	10-Year (2014-2024)
EXISTING							
A	3.0 MG Pearson Ground Storage Tank	15%	65%	50%	\$1,779,010	\$266,852	\$889,505
B	Pearson Pump Station Improvements	75%	90%	15%	\$1,197,400	\$898,050	\$179,610
C	Knox Elevated Storage Tank	60%	85%	25%	\$2,059,216	\$1,235,530	\$514,804
D	Keller-Smithfield Elevated Storage Tank	75%	90%	15%	\$2,074,509	\$1,555,882	\$311,176
E	16-inch Lower Pressure Plane Water Line	75%	90%	15%	\$3,084,977	\$2,313,733	\$462,747
F	12-inch Lower Pressure Plane Water Line	55%	85%	30%	\$2,757,117	\$1,516,414	\$827,135
G	12-inch Upper Pressure Plane Water Line	10%	70%	60%	\$232,000	\$23,200	\$139,200
H	12-inch Rufe Snow Water Line	50%	85%	35%	\$204,000	\$102,000	\$71,400
I	12-inch Upper Pressure Plane Water Line	25%	55%	30%	\$200,000	\$50,000	\$60,000
J	Water Impact Fee Study	0%	100%	100%	\$42,000	\$0	\$42,000
Existing Project Sub-total					\$13,630,229	\$7,961,660	\$3,497,577
PROPOSED							
1	12-inch Water Lines in Upper Pressure Plane	25%	60%	35%	\$320,600	\$80,150	\$112,210
2a	Alta Vista Pump Station Expansion to 18 MGD	15%	40%	25%	\$5,521,200	\$828,180	\$1,380,300
2b	Fort Worth Water Delivery Capital Cost Recovery	0%	40%	40%	\$1,216,440	\$0	\$486,576
3	30-inch Alta Vista Pump Station Water Line	0%	40%	40%	\$5,472,000	\$0	\$2,188,800
4	12-inch Water Lines in Upper Pressure Plane	0%	60%	60%	\$884,600	\$0	\$530,760
5	12-inch Johnson Road Water Line	20%	70%	50%	\$743,900	\$148,780	\$371,950
6	16-inch Mt. Gilead and Bancroft Road and 12-inch Keller-Smithfield Road Water Line	55%	95%	40%	\$1,933,200	\$1,063,260	\$773,280
7	16-inch Florence Road Water Line	10%	65%	55%	\$1,229,600	\$122,960	\$676,280
8	8-inch Lower Pressure Plane Water Line	0%	5%	5%	\$219,000	\$0	\$10,950
9	Pearson Pump Station Upper Pressure Plane Expansion	0%	20%	20%	\$905,700	\$0	\$181,140
10	12-inch Florence Road Water Line	15%	50%	35%	\$1,100,900	\$165,135	\$385,315
11	12-inch Bear Creek Parkway Water Line	10%	55%	45%	\$707,000	\$70,700	\$318,150
12	12-inch and 16-inch South Upper Pressure Plane Water Lines	45%	60%	15%	\$632,100	\$284,445	\$94,815
Proposed Project Sub-total					\$20,886,240	\$2,763,610	\$7,510,526
Total Capital Improvements Cost					\$34,516,469	\$10,725,270	\$11,008,103
* Utilization in 2014 on Proposed Projects indicates a portion of the project that will be used to address deficiencies within the existing system, and therefore are not eligible for impact fee cost recovery for future growth.							

Projects A through J are existing Water projects. The \$3,497,577 of the total \$13,630,229 cost for these projects is attributed to growth in the 10-year planning period or about 25.7%.

Proposed Water projects 1 through 12 and the existing Water projects together cost an estimated total of \$34,516,429. A total of \$11,008,103 is attributed to growth in the 10-year planning period. Therefore, about 31.9% of the total cost of these improvements is for the capacity to serve expected development during the planning period.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Prior, current, and proposed use of impact fees for active and recently closed capital projects are listed in the table below. The numbers in parentheses next to the project name provides a reference to the capital project listing in the study.

Table 2-4 – Use of Water Impact Fees By Project and Fiscal Year				
Project/Fiscal Year	Use of Impact Fees		Total Budget	% Budget = Impact fees
Project Closed During FY 2018				
N/A				
Currently Active Projects				
Alta Vista Pump Station Improvements (2a&2b) [UC]				
FY 16	778,505		778,505	100.0%
FY 17	-		1,630,000	0.0%
Total	\$ 778,505	\$	2,408,505	32.3%
Alta Vista Transmission Main (3) [DR]				
FY 16	1,042,715		1,042,715	100.0%
FY 17	2,949,485		4,579,485	64.4%
Total	\$ 3,992,200	\$	5,622,200	71.0%
12-Inch Water Lines In Upper Pressure Plane (4) [DR]				
FY 17	200,000		200,000	100.0%
FY 18	-		150,000	0.0%
Total	\$ 200,000	\$	350,000	57.1%
Highway 377 12" Water Lines (4) [NS]				
FY 18	100,000		100,000	100.0%
FY 19	-		800,000	0.0%
Total	\$ 100,000	\$	900,000	11.1%
On-Hold Projects				
N/A				
Upcoming Projects*				
Total All Water Projects	\$ 5,070,705	\$	9,280,705	54.6%

* - Upcoming Projects have been placed on the City's five-year Capital Improvements Plan. The projects have not been approved and no funds have been appropriated by City Council.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

The table below provides a summary of City Council adopted capital projects which use impact fee funds. Included is a brief discussion of the variance between the Council adopted project budget and the capital project listing on the study. The numbers in parentheses next to the project name provides a reference to the capital project listing on the study.

Table 2-5 - Summary Schedule of Adopted Water Capital Project Revenues and Expenditures

Line-Item Description	Project Budget	Activity thru March 31, 2019	\$ Remaining	% Transferred / Expenses
Alta Vista Pump Station Improvements (2a & 2b) [UC]				
Impact Fees	778,505	778,505	-	100.0%
Debt Issuance	6,491,495	1,630,000	4,861,495	25.1%
Total Revenues	\$ 7,270,000	\$ 2,408,505	\$ 4,861,495	33.1%
% of Project = Impact Fees	10.7%	32.3%		
Engineering/Design	778,505	908,613	(130,108)	116.7%
Construction	-	-	-	0.0%
Building Improvements	6,491,495	1,433,714	5,057,781	22.1%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 7,270,000	\$ 2,342,327	4,927,673	32.2%

Impact Fee CIP Cost Allocatic \$ 6,737,640

Reason for Variance: Council has only adopted project costs of \$2,408,505 to date related to initial phases of the project.

Alta Vista Transmission Main Improvements (3) [DR]				
Impact Fees	3,992,200	3,992,200	-	100.0%
Debt Issuance	3,737,800	1,630,000	2,107,800	43.6%
Total Revenues	\$ 7,730,000	\$ 5,622,200	\$ 2,107,800	72.7%
% of Project = Impact Fees	51.6%	71.0%		
Engineering/Design	1,042,715	928,809	113,906	89.1%
Construction	6,537,285	1,452,630	5,084,655	22.2%
Right of Way	150,000	128,766	21,234	85.8%
Legal	-	-	-	0.0%
Total Expenditures	\$ 7,730,000	\$ 2,510,205	5,219,795	32.5%

Impact Fee CIP Cost Allocatic \$ 5,472,000

Reason for Variance: The difference is the amount of budget/funding that has been transferred to date versus the amount of cost assumed to develop the Impact Fee rates.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

12-Inch Water Lines in Upper Pressure Plane (4) [DR]

Impact Fees	200,000	200,000	-	100.0%
Water-Wastewater Fund	150,000	150,000	-	100.0%
Total Revenues	\$ 350,000	\$ 350,000	\$ -	100.0%
% of Project = Impact Fees	57.1%	57.1%		
Engineering/Design	50,000	36,067	13,933	72.1%
Special/Other Services	-	20,020	(20,020)	0.0%
Construction	300,000	96	299,904	0.0%
Right of Way	-	3,250	(3,250)	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 350,000	\$ 59,434	290,566	17.0%

Impact Fee CIP Cost Allocatic \$ 884,600

Reason for Variance: Council has only adopted project costs of \$350,000 to date related to initial phases of the project.

Highway 377 12" Water Lines (4) [NS]

Impact Fees	100,000	100,000	-	100.0%
Debt Issuance	900,000	-	900,000	0.0%
Total Revenues	\$ 1,000,000	\$ 100,000	\$ 900,000	10.0%
% of Project = Impact Fees	10.0%	100.0%		
Engineering/Design	-	9,569	(9,569)	0.0%
Construction	1,000,000	-	1,000,000	0.0%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 1,000,000	\$ 9,569	990,431	1.0%

Impact Fee CIP Cost Allocatic \$ 884,600

Reason for Variance: Council has only adopted project costs of \$100,000 to date related to initial phases of the project.

Water Impact Fee Project Usage Summary

Total Impact Fees	\$ 5,070,705	\$ 5,070,705	-	100.0%
Total Other Funding Sources	\$ 11,279,295	\$ 3,410,000	7,869,295	30.2%
Total Revenues	\$ 16,350,000	\$ 8,480,705	\$ 7,869,295	51.9%
% of Project = Impact Fees	31.0%	59.8%		

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

WASTEWATER SYSTEM IMPACT FEE AND CAPITAL PROJECTS SUMMARY

The following table provides Wastewater impact fee collection for the two six-month periods of each fiscal year along with a total of twelve month activity for the current and prior five fiscal years. In addition, the six year total and average is provided.

Table 3-1 - Wastewater Impact Fee Collections by Fiscal Year 6 Month & 12 Month Activity					
Fiscal Year		Impact Fees Collected Oct. thru Mar.	Impact Fees Collected Apr. thru Sept.	Impact Fees Collected Oct. thru Sept.	Fund Balance
FY 2013-14		332,155	166,761	498,916	3,508,598
FY 2014-15		143,098	91,329	234,427	3,207,975
FY 2015-16		116,556	115,484	232,040	4,481,776
FY 2016-17		129,897	85,885	215,782	2,970,713
FY 2017-18		81,519	104,652	186,171	3,214,589
FY 2018-19		92,167		92,167	3,306,756
6-Year Total		\$ 895,392	\$ 564,111	\$ 1,459,503	
6-Year Average		\$ 149,232	\$ 112,822	\$ 243,250	

The following table provides Wastewater impact fee expenditures for the two six-month periods of each fiscal year along a total of twelve month activity for the current and prior five fiscal years. In addition, the six year total and average is provided.

Table 3-2 - Wastewater Impact Fee Expensed by Fiscal Year 6 Month & 12 Month Activity				
Fiscal Year		Impact Fees Expensed Oct. thru Mar.	Impact Fees Expensed Apr. thru Sept.	Impact Fees Expensed Oct. thru Sept.
FY 2013-14		389,129	145,922	535,050
FY 2014-15		84,435	(1,126,197)	(1,041,761)
FY 2015-16*		9,200	1,717,645	1,726,845
FY 2016-17*		337,500	1,017,565	1,355,065
FY 2017-18*		-	-	-
FY 2018-19*		-	-	-
6-Year Total		\$ 820,264	\$ 1,754,935	\$ 2,575,200
6-Year Average		\$ 136,711	\$ 292,489	\$ 429,200

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

The following table outlines the existing wastewater collection system projects that supply the capacity needed for the 10-year planning period (2014-2024) as derived by the most recent impact fee study. It also outlines the proposed capital improvement projects to be needed within the next ten (10) years with the estimated percent utilization for that planning period.

Table 3-3 - Wastewater Collection System Improvements 2014-2024
Cost Allocation for Impact Fee Calculations

No.	Description of Project	Percent Utilization			Costs Based on 2014 Dollars		
		2014	2024*	2014-2024	Capital Cost	Current Development	10-Year (2014-2024)
EXISTING							
A	Marshall Branch West Lift Station and Interceptor	35%	80%	45%	\$1,855,759	\$649,516	\$835,092
B	Marshall Branch East Lift Station and Interceptor	40%	85%	45%	\$1,611,295	\$644,518	\$725,083
C	Big Bear East Branch Interceptor	5%	55%	50%	\$1,582,758	\$79,138	\$791,379
D	Katy Road Lift Station and Sanitary Sewer Improvements	30%	80%	50%	\$1,959,449	\$587,835	\$979,725
E	Wastewater Impact Fee Study	0%	100%	100%	\$42,000	\$0	\$42,000
Existing Project Sub-total					\$7,051,261	\$1,961,006	\$3,373,278
PROPOSED							
1	8-inch and 12-inch Big Bear East Wastewater Interceptor	0%	65%	65%	\$703,600	\$0	\$457,340
2	North Big Bear East Septic Elimination Lines	0%	30%	30%	\$636,800	\$0	\$191,040
3	Southwest Marshall Branch Septic Elimination Lines	0%	40%	40%	\$1,979,200	\$0	\$791,680
4	West Big Bear East Septic Elimination Lines	0%	30%	30%	\$1,204,000	\$0	\$361,200
5	Big Bear East Wastewater Improvements	0%	40%	40%	\$1,280,700	\$0	\$512,280
6	12-inch to 18-inch Big Bear Wastewater Interceptor	0%	50%	50%	\$1,377,300	\$0	\$688,650
7	North Branch of Big Bear Wastewater Interceptor	0%	25%	25%	\$744,800	\$0	\$186,200
8	Big Bear West Collector Replacement	30%	45%	15%	\$427,400	\$128,220	\$64,110
9	8-inch and 10-inch Wastewater Lines in Western Big Bear Southwest	30%	60%	30%	\$388,400	\$116,520	\$116,520
10	Cade Branch Interceptor	0%	55%	55%	\$288,000	\$0	\$158,400
11	Big Bear East Assorted Septic Eliminations	0%	35%	35%	\$1,506,200	\$0	\$527,170
12	Big Bear West Interceptor Replacement	85%	90%	5%	\$465,800	\$395,930	\$23,290
13	Big Bear Southwest Interceptor Replacement	85%	95%	10%	\$441,400	\$375,190	\$44,140
14	Big Bear South 1 Interceptor Replacement	85%	90%	5%	\$305,000	\$259,250	\$15,250
15	Little Bear East Interceptor Replacement	90%	95%	5%	\$360,600	\$324,540	\$18,030
16	Big Bear South 2 Interceptor Replacement	90%	100%	10%	\$233,300	\$209,970	\$23,330
17	8-inch Northern Marshall Branch East Wastewater Line	0%	20%	20%	\$385,600	\$0	\$77,120
18	Big Bear East Central Septic Elimination Lines	0%	45%	45%	\$611,200	\$0	\$275,040
19	Northern Big Bear East Septic Elimination Lines	0%	40%	40%	\$1,200,600	\$0	\$480,240
20	Melody Hills Estates Septic Elimination Lines	0%	45%	45%	\$945,900	\$0	\$425,655
Proposed Project Sub-total					\$15,485,800	\$1,809,620	\$5,436,685
Total Capital Improvements Cost					\$22,537,061	\$3,770,626	\$8,809,963
* Utilization in 2014 on Proposed Projects indicates a portion of the project that will be used to address deficiencies within the existing system, and therefore are not eligible for impact fee cost recovery for future growth.							

Wastewater projects A through E are existing. The \$3,373,279 of the total \$7,051,261 cost for these projects is attributed to the 10-year planning period or about 47.8%.

Proposed Wastewater projects 1 through 20 and the existing wastewater projects together cost an estimated total of \$22,537,061. A total of \$8,809,964 is attributed to the 10-year planning period. Therefore, about 39.1% of the total cost of these improvements is for the capacity to serve expected development during the planning period.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Prior, current, and proposed use of impact fees for active and recently closed capital projects are listed in the table below. The numbers in parentheses next to the project name provides a reference to the capital project listing on the study.

Table 3-4 – Use of Wastewater Impact Fees By Project and Fiscal Year				
Project/Fiscal Year	Use of Impact Fees		Total Budget	% Budget = Impact fees
Project Closed During FY 2018				
Old Town Keller Construction* [CC]	185,000		204,775	90.3%
Currently Active Projects				
Big Bear East Collectors (1,2,4) [CC] (Manor Way area)				
FY 16	731,675		3,027,000	24.2%
Total	\$ 731,675	\$	3,027,000	24.2%
Marshall Branch E Collectors (3) [CC] (Summer Lane area)				
FY 15	78,780		2,550,780	3.1%
FY 16	745,220		745,220	100.0%
Total	\$ 824,000	\$	3,296,000	25.0%
Big Bear Central Interceptor Ph II (6) [CC] (Gean Estates)				
FY 16	49,750		259,805	19.1%
Total	\$ 49,750	\$	259,805	19.1%
FM 1709 Sanitary Sewer Replacement (6) [DR]				
FY 15	-		50,000	0.0%
FY 17	600,000		600,000	100.0%
Total	\$ 600,000	\$	650,000	92.3%
On-Hold Projects				
Big Bear East Collector Line Extension (5) [NS]				
FY 17	75,000		75,000	100.0%
Total	\$ 75,000	\$	75,000	100.0%
Upcoming Projects^				
N/A				
Total All Projects	\$ 2,465,425	\$	7,512,580	32.8%

* - Big Bear West Collector Replacement Project (8) is part of the Old Town Keller West project which has a budget of \$4,250,000.

^ - Upcoming Projects have been placed on the City's five-year Capital Improvements Plan. The projects have not been approved and no funds have been appropriated by City Council.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

The table below provides a summary of City Council adopted capital projects which use impact fee funds. Included is a brief discussion of the variance between the Council adopted project budget and the capital project listing on the study. The numbers in parenthesis next to the project name provides a reference to the capital project listing on the study.

Table 3-5 - Summary Schedule of Adopted Wastewater Capital Project Revenues and Expenditures

Line-Item Description	Project Budget	Activity thru March 31, 2019	\$ Remaining	% Transferred / Expenses
Big Bear East Collectors (1,2,4) [CC]*				
Impact Fees	731,675	731,675	-	100.0%
TWDB Bonds	2,295,325	2,295,325	-	100.0%
Other Revenue	-	86,500	(86,500)	0.0%
Total Revenues	\$ 3,027,000	\$ 3,113,500	\$ (86,500)	102.9%
% of Project = Impact Fees	24.2%	23.5%		
Engineering/Design	531,672	531,672	(0)	100.0%
Construction	2,383,452	2,802,017	(418,565)	117.6%
Right of Way	72,225	72,225	(0)	100.0%
Legal	39,651	39,651	0	100.0%
Total Expenditures	\$ 3,027,000	\$ 3,445,566	(418,566)	113.8%

Impact Fee CIP Cost Allocatic \$ 2,544,400

Reason for Variance: The cost estimate in the study assumed a 20% contingency added to the base construction costs to cover all elements necessary for the scope of the project; items like pavement repair, service lines, restoration, landscaping and traffic control. For this project, those elements represented an approximate 55% addition to base construction costs.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Marshall Branch East Collector Line Improvements (3) [CC]*					
Impact Fees	824,000	824,000	-	100.0%	
TWDB Bonds	2,472,000	2,472,000	-	100.0%	
Total Revenues	\$ 3,296,000	\$ 3,296,000	\$ -	100.0%	
% of Project = Impact Fees	25.0%	25.0%			
Engineering/Design	306,468	309,503	(3,035)	101.0%	
Mains and Services	745,220	-	745,220	0.0%	
Construction	2,182,899	2,938,970	(756,071)	134.6%	
Legal	32,597	32,597	(0)	100.0%	
Total Expenditures	\$ 3,267,184	\$ 3,281,070	(13,886)	100.4%	

Impact Fee CIP Cost Allocatic \$ 1,979,200

Reason for Variance: The cost estimate in the study assumed a 20% contingency added to the base construction costs to cover all elements necessary for the scope of the project; items like pavement repair, service lines, restoration, landscaping and traffic control. For this project, those elements represented an approximate 60% addition to base construction costs.

Big Bear Central Interceptor Ph II (6) [DR]					
Impact Fees	49,750	49,750	-	100.0%	
Other Funding Sources	210,055	210,055	-	100.0%	
Total Revenues	\$ 259,805	\$ 259,805	\$ -	100.0%	
% of Project = Impact Fees	19.1%	19.1%			
Engineering/Design	49,750	30,261	19,489	60.8%	
Mains and Services	210,055	277,292	(67,237)	132.0%	
Right of Way	-	-	-	0.0%	
Legal	-	-	-	0.0%	
Total Expenditures	\$ 259,805	\$ 307,553	(47,748)	118.4%	

Impact Fee CIP Cost Allocatic \$ 1,377,300

Reason for Variance: Council has only adopted project costs of \$259,805 to date related to initial phases of the project.

Old Town Keller (8) [CC]					
Impact Fees	185,000	185,000	-	100.0%	
General Fund	2,505,000	2,505,000	-	100.0%	
Drainage Fund	215,000	215,000	-	100.0%	
Street Maintenance Fund	1,345,000	1,345,000	-	100.0%	
Total Revenues	\$ 4,250,000	\$ 4,250,000	\$ -	100.0%	
% of Project = Impact Fees	4.4%	4.4%			
Engineering/Design	-	144,969	(144,969)	0.0%	
Street Improvements	3,500,000	3,794,792	(294,792)	108.4%	
Mains and Services	450,000	272,814	177,186	60.6%	
Drainage Improvements	300,000	215,758	84,242	71.9%	
Total Expenditures	\$ 4,250,000	\$ 4,428,333	(178,333)	104.2%	

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Old Town Keller (8) - Wastewater Portion Only [CC]

Impact Fees	185,000	185,000	-	100.0%
Other Funding Sources	19,775	19,775	-	100.0%
Total Revenues	\$ 204,775	\$ 204,775	\$ -	100.0%
% of Project = Impact Fees	90.3%	90.3%		
Engineering/Design	-	-	-	0.0%
Mains and Services	204,775	204,775	-	100.0%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	204,775	204,775	-	100.0%

Impact Fee CIP Cost Allocatic \$ 427,400

Reason for Variance: The cost estimate in the study assumed a 20% contingency added to the base construction costs to cover all elements necessary for the scope of the project; items like pavement repair, service lines, restoration, landscaping and traffic control. For this project, those elements represented an approximate 60% addition to base construction costs.

FM 1709 SS Replacement (6) [DR]

Impact Fees	600,000	600,000	-	100.0%
Water-Wastewater Fund	50,000	-	50,000	0.0%
Total Revenues	\$ 650,000	\$ 600,000	\$ 50,000	92.3%
% of Project = Impact Fees	92.3%	0.0%		
Engineering/Design	50,000	-	50,000	0.0%
Construction	600,000	-	600,000	0.0%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 650,000	\$ -	650,000	0.0%

Impact Fee CIP Cost Allocatic \$ 1,377,300

Reason for Variance: Council has only adopted project costs of \$650,000 to date related to initial phases of the project.

Big Bear East Collector Line Extension (5) [NS] (On Hold)

Impact Fees	75,000	75,000	-	100.0%
Total Revenues	\$ 75,000	\$ 75,000	\$ -	100.0%
% of Project = Impact Fees	100.0%	0.0%		
Engineering/Design	75,000	-	75,000	0.0%
Construction	-	-	-	0.0%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 75,000	\$ -	75,000	0.0%

Impact Fee CIP Cost Allocatic \$ 1,280,700

Reason for Variance: Council has only adopted project costs of \$75,000 to date related to design phase of the project.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Wastewater Impact Fee Project Usage Summary^

Total Impact Fees	2,465,425	2,465,425	-	100.0%
Total Other Funding Sources	5,047,155	5,083,655	(36,500)	100.7%
Total Revenues	\$ 7,512,580	\$ 7,549,080	\$ (36,500)	100.5%
% of Project = Impact Fees	32.8%	32.7%		

* - The three TWDB projects are currently still split between funds as they were near completion at the time of the FY 2015-16 financial polices. Once all the projects are officially closed out, an amendment may be approved by Council to move the projects into one fund and to make any necessary budget adjustments.

^ - Reflects only wastewater

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

ROADWAY SYSTEM IMPACT FEE AND CAPITAL PROJECTS SUMMARY

The following table provides impact fee collection for the two six-month periods of each fiscal year along with a total of twelve month activity for the current and prior five fiscal years. In addition, the six year total and average is provided.

Table 4-1A - North Roadway Impact Fee Collections by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Impact Fees Collected Oct. thru Mar.	Impact Fees Collected Apr. thru Sept.	Impact Fees Collected Oct. thru Sept.
FY 2013-14		186,259	227,330	413,589
FY 2014-15		164,204	113,265	277,469
FY 2015-16		181,278	126,872	308,150
FY 2016-17		87,516	133,410	220,927
FY 2017-18		103,070	94,013	197,083
FY 2018-19		149,606		149,606
6-Year Total		\$ 871,933	\$ 694,891	\$ 1,566,823
6-Year Average		\$ 145,322	\$ 138,978	\$ 261,137

Table 4-1B - South Roadway Impact Fee Collections by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Impact Fees Collected Oct. thru Mar.	Impact Fees Collected Apr. thru Sept.	Impact Fees Collected Oct. thru Sept.
FY 2013-14		218,173	206,325	424,498
FY 2014-15		175,447	74,905	250,352
FY 2015-16		176,455	451,299	627,754
FY 2016-17		112,976	108,051	221,027
FY 2017-18		122,577	134,384	256,961
FY 2018-19		184,245		184,245
6-Year Total		\$ 989,873	\$ 974,964	\$ 1,964,837
6-Year Average		\$ 164,979	\$ 194,993	\$ 327,473

Table 4-1C - Total Roadway Impact Fee Collections by Fiscal Year					
6 Month & 12 Month Activity					
Fiscal Year		Impact Fees Collected Oct. thru Mar.	Impact Fees Collected Apr. thru Sept.	Impact Fees Collected Oct. thru Sept.	Fund Balance
FY 2013-14		404,432	433,655	838,087	4,034,472
FY 2014-15		339,651	188,170	527,821	4,866,615
FY 2015-16		357,733	578,171	935,904	5,389,944
FY 2016-17		200,492	241,462	441,953	6,346,999
FY 2017-18		225,646	228,397	454,044	6,866,778
FY 2018-19		333,851	-	333,851	6,733,765
6-Year Total		\$ 1,861,805	\$ 1,669,855	\$ 3,531,660	
6-Year Average		\$ 310,301	\$ 333,971	\$ 588,610	

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

The following table provides impact fee expenditures for the two six-month periods of each fiscal year along with a total of twelve month activity for the current and prior five fiscal years. In addition, the six year total and average is provided.

Table 4-2A - North Roadway Impact Fee Expensed by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Impact Fees Expensed Oct. thru Mar.	Impact Fees Expensed Apr. thru Sept.	Impact Fees Expensed Oct. thru Sept.
FY 2013-14		-	14,846	14,846
FY 2014-15		2,862	8,738	11,599
FY 2015-16*		-	-	-
FY 2016-17*		-	-	-
FY 2017-18*		231,250	231,250	462,500
FY 2018-19*		500,000		500,000
6-Year Total		\$ 734,112	\$ 254,833	\$ 988,945
6-Year Average		\$ 122,352	\$ 50,967	\$ 164,824

Table 4-2B - South Roadway Impact Fee Expensed by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Impact Fees Expensed Oct. thru Mar.	Impact Fees Expensed Apr. thru Sept.	Impact Fees Expensed Oct. thru Sept.
FY 2013-14		-	14,846	14,846
FY 2014-15		2,862	8,738	11,599
FY 2015-16*		-	-	-
FY 2016-17*		-	-	-
FY 2017-18*		-	-	-
FY 2018-19*		62,500		62,500
6-Year Total		\$ 65,362	\$ 23,583	\$ 88,945
6-Year Average		\$ 10,894	\$ 4,717	\$ 14,824

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

The following table outlines the existing roadway system projects that supply the capacity needed for the 10-year planning period (2014-2024) as derived by the most recent impact fee study. These are noted as “recoup” under the project status column. It also outlines the proposed capital improvement projects that are needed in the next ten (10) years to address the new growth demand. The table separates the calculations into the North Area (seen on Table 4-2 as Service Area A) and the South Area (seen on Table 4-2 as Service Area B).

**Table 4-3 - 2014 Keller Roadway Impact Fee Study Update
Roadway Impact Fee Capital Improvements Plan**

Serv Area	CP Orig	Reference CP No.	Roadway	From	To	Project Status	Length (mi)	No. of Lanes	Type Rdwy	Pct. In Serv. Area	Project Cost*	Study Update Cost	Serv Area Total Cost
A	2004	1	Johnson Road	US 377	Hallelujah	Recoup	1.58	2	UCS	50%	\$2,029,504	\$1,072	\$2,030,576
A	2004	2	Johnson Road	Hallelujah	Keller Smithfield	New	0.38	4	UC4	100%	\$1,976,500	\$1,135	\$1,977,635
A	2004	3	Mt. Gilead	US 377	Roanoke	New	1.49	4	UC4	100%	\$9,461,944	\$4,449	\$9,466,393
A	2009	4a	Boutland Road	Johnson	Mt. Gilead	New	1.01	4	UC4	100%	\$6,142,560	\$3,029	\$6,145,589
A	2009	4b	Boutland Road	Mt. Gilead	Marshall Ridge	Recoup	0.19	2	UCS	100%	\$415,413	\$259	\$415,672
A	2004	5	Keller Smithfield	Johnson	FM 1709	Recoup	0.51	4	UC4	100%	\$268,500	\$1,523	\$270,023
A	2004	6	Rufe Snow Drive	FM 1709	Johnson	New	0.49	4	DA	50%	\$1,211,997	\$1,039	\$1,213,036
A	2004	7	Pearson Lane	Florence	City Limits	New	1.78	4	UC4	100%	\$11,363,607	\$5,315	\$11,368,922
Sub-total SA A							7.44				\$32,870,624	\$17,820	\$32,887,844
B	2004	8	Boutland Road	FM 1709	Johnson	Recoup	0.55	4	DA	100%	\$1,845,210	\$2,333	\$1,847,543
B	2004	9	North Tarrant Parkway	US 377	Whitley	Recoup	0.22	6	PDA	100%	\$1,030,959	\$1,568	\$1,032,526
B	2004	10	North Tarrant Parkway	Whitley	City Limits	Recoup	1.49	6	PDA	100%	\$7,319,481	\$10,617	\$7,330,097
B	2004	11	Bear Creek Parkway	Keller Smithfield	Davis	Recoup	2.14	4	DA	100%	\$2,736,917	\$9,076	\$2,745,993
B	2004	12	Bear Creek Parkway	Keller Smithfield	Rufe Snow	Recoup	0.62	4	DA	100%	\$2,738,269	\$2,642	\$2,740,912
B	2004	13	Rufe Snow Drive	FM 1709	Bear Creek	Recoup	0.21	6	PDA	100%	\$449,812	\$1,482	\$451,294
B	2004	6	Rufe Snow Drive	Johnson	FM 1709	New	0.49	4	DA	50%	\$1,211,997	\$1,039	\$1,213,036
B	2004	14	Rufe Snow Drive	Bear Creek	Rapp	Recoup	1.35	4	PDA	100%	\$7,936,400	\$6,413	\$7,942,813
B	2004	15	Keller Smithfield Road	FM 1709	Wayside	Recoup	0.12	4	DA	100%	\$522,495	\$509	\$523,004
B	2004	16	Keller Smithfield Road	Wayside	Bear Run	Recoup	0.44	4	DA	100%	\$4,236,688	\$1,849	\$4,238,537
B	2004	17	Keller Smithfield Road	Bear Run	Shady Grove	New	1.32	4	DA	100%	\$8,226,070	\$5,596	\$8,231,665
B	2004	18	Keller Smithfield Road	Shady Grove	North Tarrant Parkway	Recoup	0.51	2	UA	100%	\$368,622	\$960	\$369,582
B	2004	19	Keller Smithfield Road	Shady Grove	North Tarrant Parkway	New	0.51	2	UA	100%	\$1,924,910	\$960	\$1,925,870
B	2004	20	Rapp Road	US 377	Rufe Snow	New	1.43	4	DA	100%	\$10,298,114	\$6,065	\$10,304,179
B	2004	1	Johnson Road	US 377	Hallelujah	Recoup	1.58	2	UCS	50%	\$2,029,504	\$1,072	\$2,030,576
Sub-total SA B							12.99				\$52,875,447	\$52,180	\$52,927,627
Totals:							20.42				\$85,745,472	\$70,000	\$85,815,472
Notes: PDA- Principal divided arterial facility DA- Divided arterial facility UA- Undivided arterial facility DC- Divided collector facility UC4- Undivided collector facility - 4 lane UCS- Undivided collector with center turn-lane UC2- Undivided collector facility - 2 lane Recoup - Recoupment project New - New Project * TXDOT Project, City participation													

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

North Roadway projects cost an estimated \$32,870,025 of which an amount of \$8,797,705 is attributed to the 10-year planning period. Therefore, about 26.8% of the total cost of these improvements is for the capacity to serve expected development during the planning period. In addition, an impact fee study cost of \$17,820 is included in the 10-year planning period for a total cost of \$8,815,525.

South Roadway projects cost an estimated \$52,875,448 of which an amount of \$13,987,917 is attributed to the 10-year planning period. Therefore, about 26.5% of the total cost of these improvements is for the capacity to serve expected development during the planning period. In addition, an impact fee study cost of \$52,180 is included in the 10-year planning period for a total cost of \$14,040,097.

Prior, current, and proposed use of impact fees for active and recently closed capital projects are listed in the table below. The numbers in parenthesis next to the project name provides a reference to the capital project listing on the study.

Table 4-4A – Use of North Impact Fees By Project and Fiscal Year				
Project/Fiscal Year	Use of Impact Fees	Total Budget	% Budget = Impact fees	
Project Closed During FY 2018				
N/A				
Currently Active Projects				
Johnson Road/Keller-Smithfield Roundabout (2, 5) [DR]	462,500	925,000		50.0%
Johnson Road Reconstruction [RS to KS] (2)	1,000,000	2,000,000		50.0%
Total	\$ 1,462,500	\$ 2,925,000		50.0%
On-Hold Projects				
N/A				
Upcoming Projects*				
Bourland Road/Mt. Gilead Roundabout [RS to KS] (2)	462,500	925,000		50.0%
Mt. Gilead/Roanoke Rd Roundabout	462,500	925,000		50.0%
Bourland Road Reconstruction [MTG to B] (4a)	1,000,000	2,000,000		50.0%
Total	\$ 1,925,000	\$ 3,850,000		50.0%
Total All Projects	\$ 3,387,500	\$ 6,775,000		50.0%

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Table 4-4B – Use of South Impact Fees By Project and Fiscal Year			
Project/Fiscal Year	Use of Impact Fees	Total Budget	% Budget = Impact fees
Project Closed During FY 2018			
N/A			
Currently Active Projects			
Bear Creek / Keller-Smithfield Signal (12, 15, 16)	125,000	250,000	50.0%
Total	\$ 125,000	\$ 250,000	50.0%
On-Hold Projects			
N/A			
Upcoming Projects*			
N/A			
Total All Projects	\$ 125,000	\$ 250,000	50.0%

1 - Project cost split between both North and South as it impacts both service areas.

2 - Rufe Snow and Johnson Road intersection is located at the border of the North and South section, therefore costs are split between the two service areas.

* - Upcoming Projects have been placed on the City's five-year Capital Improvements Plan. The projects have not been approved and no funds have been appropriated by City Council.

The table below provides a summary of City Council adopted capital projects which use impact fee funds. Included is a brief discussion of the variance between the Council adopted project budget and the capital project listing on study. The numbers in parenthesis next to the project name provides a reference to the capital project listing on the study.

Table 4-5 - Summary Schedule of Adopted Roadway Capital Project Revenues and Expenditures

Line-Item Description	Project Budget	Activity thru March 31, 2019	\$ Remaining	% Transferred / Expenses
Johnson Road/Keller-Smithfield Roundabout (2, 5) [DR]				
Impact Fees	462,500	462,500	-	100.0%
General Fund	231,250	231,250	-	100.0%
Street Maintenance Fund	231,250	231,250	-	100.0%
Total Revenues	\$ 925,000	\$ 925,000	\$ -	100.0%
% of Project = Impact Fees	50.0%	50.0%		
Engineering/Design	325,000	125,187	199,813	38.5%
Construction	600,000	-	600,000	0.0%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 925,000	\$ 125,187	799,813	13.5%

Impact Fee CIP Cost Allocatic \$ 2,423,994

Reason for Variance Project descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

Johnson Road Reconstruction [RS to KS] (2)					
Impact Fees	1,000,000		500,000	500,000	50.0%
General Fund	1,000,000		500,000	500,000	50.0%
Total Revenues	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	50.0%	
% of Project = Impact Fees	50.0%	50.0%			
Engineering/Design	-	23,939	(23,939)	0.0%	
Construction	2,000,000	-	2,000,000	0.0%	
Right of Way	-	-	-	0.0%	
Legal	-	-	-	0.0%	
Total Expenditures	\$ 2,000,000	\$ 23,939	1,976,061	1.2%	

Impact Fee CIP Cost Allocatic \$ 2,423,994

Reason for Variance:

Bear Creek / Keller-Smithfield Signal (12, 15, 16)					
Impact Fees	125,000	62,500	62,500	50.0%	
General Fund	125,000	62,500	62,500	50.0%	
Total Revenues	\$ 250,000	\$ 125,000	\$ 125,000	50.0%	
% of Project = Impact Fees	50.0%	50.0%			
Engineering/Design	-	-	-	0.0%	
Construction	250,000	-	250,000	0.0%	
Right of Way	-	-	-	0.0%	
Legal	-	-	-	0.0%	
Total Expenditures	\$ 250,000	\$ -	250,000	0.0%	

Impact Fee CIP Cost Allocatic \$ 2,423,994

Reason for Variance:

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP

CONCLUSIONS AND RECOMMENDATIONS

It is staff's opinion that the collection of impact fee service units over the 46-month period from June 2, 2015 thru March 31, 2019 is at an acceptable level and the capital improvements program is proceeding in a reasonable manner. Based on the percentage of collection being well below the 100% assessed level, we feel the chance of over collecting is improbable. The capital improvements program is proceeding in a reasonable manner with considerable capacity needs in each category during the planning period being supplied by projects already completed.

Project status code descriptions:

Not Started - NS

Under Design/

Engineering/ROW - DR

Under Construction - UC

Construction Complete - CC

Closed Out - CO

Future Project - FP