



Appendix A

Meeting Date: August 11, 2020
To: Capital Improvements Advisory Committee
From: Alonzo Liñán, Director of Public Works
Subject: **STATUS REPORT FOR IMPACT FEE PROGRAMS**
October 1, 2019 thru March 31, 2020

The current impact fees 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 impact fee eligible capital projects between 2014 and 2024 assuming an annual growth rate of 2%. The study also identifies the maximum impact fee amount that can be assessed per service unit in Table 1-1. The actual amount of impact fees collected by category is in Table 1-2.

Impact fees are transferred quarterly into capital projects. In doing so, the impact fee commitment to a project is equivalent to an approved expenditure, regardless of the year-to-date spending on the project. As it relates to capital budgets in the summary schedule of adopted project revenues and expenditures, 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 on financial policies and budget amendments adopted by Council during FY 2015-16. The financial policies were re-adopted for FY 2018-19.

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, 2020				
Impact Fee	Projected S.U.'s for 58 months	Collected SUs	% S.U.s Collected	Amount Collected
Water	2,250.9	1,286.3	57.1%	\$ 1,263,694
Wastewater	2,813.5	1,117.5	39.7%	\$ 1,033,299
Roadway:				
North	3,244.5	1,576.4	48.6%	\$ 1,121,026
South	3,893.5	3,364.0	86.4%	\$ 1,794,245

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 COLLECTED by Fiscal Year 6 Month & 12 Month Activity					
Fiscal Year		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.	Fund Balance
FY 2014-15		145,926	101,198	247,124	1,489,358
FY 2015-16		132,338	154,502	286,840	1,348,095
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	191,512	302,738	459,031
FY 2019-20		120,625	-	120,625	
6-Year Total		\$ 760,177	\$ 663,662	\$ 1,423,839	
6-Year Average		\$ 126,696	\$ 110,610	\$ 237,307	

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		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.
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*		-	-	-
FY 2019-20*		150,000	-	-
6-Year Total		\$ 1,937,856	\$ 3,746,867	\$ 5,534,723
6-Year Average		\$ 322,976	\$ 624,478	\$ 922,454

Table 2-3 outlines the existing water distribution system projects that supply capacity anticipated for the 10-year planning period (2014-2024) as derived by the most recent impact fee study along with estimated percent utilization for that planning

Table 2-3 - Water Distribution System Improvements 2014-2024

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 Creak 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 anticipated for construction during 2014-2024 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, 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 2019				
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%
FY 18	-		5,127,200	0.0%
FY 20	-		177,550	0.0%
Total	\$ 778,505	\$	7,713,255	10.1%
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%
FY 18	-		2,107,800	0.0%
FY 20	-		210,878	0.0%
Total	\$ 3,992,200	\$	7,940,878	50.3%
12-Inch Water Lines In Upper Pressure Plane (4) [DR]				
FY 17	200,000		200,000	100.0%
FY 18	-		150,000	0.0%
FY 20	(100,000)		-	-100.0%
Total	\$ 100,000	\$	350,000	28.6%
Highway 377 12" Water Lines (4) [NS]				
FY 18	100,000		100,000	100.0%
FY 19	-		900,000	0.0%
FY 20	400,000		(133,095)	-300.5%
Total	\$ 500,000	\$	866,905	57.7%
Total All Water Projects				
	\$ 5,370,705	\$	16,871,038	31.8%

* - 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.

Table 2-5 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, 2020	\$ Remaining	% Transferred / Expenses
Alta Vista Pump Station Improvements (2a & 2b) [UC]				
Impact Fees	778,505	778,505	-	100.0%
Water-Wastewater Fund	177,550	177,550	-	100.0%
Debt Issuance	6,757,200	6,757,200	-	100.0%
Total Revenues	\$ 7,713,255	\$ 7,713,255	\$ -	100.0%
% of Project = Impact Fees	10.1%	10.1%		
Engineering/Design	956,055	954,754	1,301	99.9%
Construction	-	-	-	0.0%
Building Improvements	6,757,200	6,502,343	254,857	96.2%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 7,713,255	\$ 7,457,097	256,158	96.7%

Impact Fee CIP Cost Allocation \$ 6,737,640
Reason for Variance: Council has fully funded this project.

Alta Vista Transmission Main Improvements (3) [DR]				
Impact Fees	3,992,200	3,992,200	-	100.0%
Water-Wastewater Fund	210,878	210,878	-	100.0%
Debt Issuance	3,737,800	3,737,800	-	100.0%
Total Revenues	\$ 7,940,878	\$ 7,940,878	\$ -	100.0%
% of Project = Impact Fees	50.3%	50.3%		
Engineering/Design	1,042,715	966,085	76,630	92.7%
Construction	6,537,285	6,644,809	(107,524)	101.6%
Right of Way	150,000	128,766	21,234	85.8%
Legal	-	-	-	0.0%
Total Expenditures	\$ 7,730,000	\$ 7,739,660	(9,660)	100.1%

Impact Fee CIP Cost Allocation \$ 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.

Line-Item Description	Project Budget	Activity thru March 31, 2020	\$ Remaining	% Transferred / Expenses
12-Inch Water Lines in Upper Pressure Plane (4) [DR]				
Impact Fees	100,000	150,000	(50,000)	150.0%
Water-Wastewater Fund	250,000	306,294	(56,294)	122.5%
Total Revenues	\$ 350,000	\$ 456,294	\$ (106,294)	130.4%
% of Project = Impact Fees	28.6%	32.9%		
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 Allocation \$ 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	500,000	300,000	200,000	60.0%	
Water-Wastewater Fund	366,095	183,048	183,047	50.0%	
Debt Issuance	-	-	-	0.0%	
Total Revenues	\$ 866,095	\$ 483,048	\$ 383,047	55.8%	
% of Project = Impact Fees	57.7%	62.1%			
Engineering/Design	116,695	108,919	7,776	93.3%	
Construction	749,400	-	749,400	0.0%	
Right of Way	-	-	-	0.0%	
Legal	-	-	-	0.0%	
Total Expenditures	\$ 866,095	\$ 108,919	757,176	12.6%	

Impact Fee CIP Cost Allocation \$ 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	\$ 5,370,705	\$ 5,220,705	150,000	97.2%	
Total Other Funding Sources	\$ 11,499,523	\$ 11,372,770	126,753	98.9%	
Total Revenues	\$ 16,870,228	\$ 16,593,475	\$ 276,753	98.4%	
% of Project = Impact Fees	31.8%	31.5%			

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 COLLECTED by Fiscal Year 6 Month & 12 Month Activity					
Fiscal Year		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.	Fund Balance
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	130,999	223,166	3,503,237
FY 2019-20		106,213	-	106,213	-
6-Year Total		\$ 669,450	\$ 528,348	\$ 1,197,798	
6-Year Average		\$ 111,575	\$ 88,058	\$ 199,633	

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		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.
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*		-	-	-
FY 2019-20*		-	-	-
6-Year Total		\$ 431,135	\$ 1,609,014	\$ 2,040,149
6-Year Average		\$ 71,856	\$ 268,169	\$ 340,025

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 anticipated for construction during 2014-2024 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.

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 2019				
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	649,750		861,384	75.4%
Total	\$	649,750	\$ 861,384	75.4%
Walker Development Agreement				
FY 20	37,500		146,173	25.7%
Total	\$	37,500	\$ 146,173	25.7%
On-Hold Projects				
Big Bear East Collector Line Extension (5) [NS]				
FY 17	75,000		75,000	100.0%
FY 20	(37,500)		(37,500)	100.0%
Total	\$	37,500	\$ 37,500	100.0%
Upcoming Projects^				
SS Evaluation Study	90,000		180,000	50.0%
Total All Projects	\$	2,370,425	\$ 7,548,057	31.4%

^ - Upcoming Projects have been placed on the City's five-year Capital Improvements Plan. The projects have not been

Table 3-5 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, 2020	\$ 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	2,803,097	(419,645)	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	\$ 3,446,646	(419,646)	113.9%

Impact Fee CIP Cost Allocation \$ 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.

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	-	-	-	0.0%
Construction	2,182,899	2,938,970	(756,071)	134.6%
Legal	32,597	32,597	(0)	100.0%
Total Expenditures	\$ 2,521,964	\$ 3,281,070	(759,106)	130.1%

Impact Fee CIP Cost Allocation \$ 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	649,750	649,750	-	100.0%
Water-Wastewater Fund	211,634	211,634	-	100.0%
Total Revenues	\$ 861,384	\$ 861,384	\$ -	100.0%
% of Project = Impact Fees	75.4%	75.4%		
Engineering/Design	49,750	49,750	-	100.0%
Mains and Services	811,634	277,292	534,342	34.2%
Right of Way	-	11,375	(11,375)	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 861,384	\$ 338,417	522,967	39.3%

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

Reason for Variance: -

Big Bear East Collector Line Extension (5) [NS] (On Hold)					
Impact Fees		37,500		37,500	- 100.0%
Total Revenues	\$	37,500	\$	37,500	\$ - 100.0%
% of Project = Impact Fees		100.0%		0.0%	
Engineering/Design		37,500		-	37,500 0.0%
Mains and Services		-		-	- 0.0%
Right of Way		-		-	- 0.0%
Legal		-		-	- 0.0%
Total Expenditures	\$	37,500	\$	-	37,500 0.0%

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

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

Walker Development Agreement					
Impact Fees		37,500		37,500	- 100.0%
Water-Wastewater Fund		108,673		108,673	- 100.0%
Total Revenues	\$	146,173	\$	146,173	\$ - 100.0%
% of Project = Impact Fees		25.7%		0.0%	
Engineering/Design		-		-	- 0.0%
Mains and Services		146,173		146,173	- 100.0%
Right of Way		-		-	- 0.0%
Legal		-		-	- 0.0%
Total Expenditures	\$	146,173	\$	146,173	- 100.0%

Impact Fee CIP Cost Allocation

Reason for Variance:

Wastewater Impact Fee Project Usage Summary^					
Total Impact Fees		2,280,425		2,280,425	- 100.0%
Total Other Funding Sources		5,087,632		5,174,132	(86,500) 101.7%
Total Revenues	\$	7,368,057	\$	7,454,557	\$ (86,500) 101.2%
% of Project = Impact Fees		31.0%		30.6%	

* - The three TWDB projects are currently still split between funds as they were near completion at the time of the FY 2015-16 financial policies. 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

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 COLLECTED by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.
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	68,981	218,587
FY 2019-20		101,973	-	101,973
6-Year Total		\$ 787,646	\$ 536,542	\$ 1,324,188
6-Year Average		\$ 131,274	\$ 89,424	\$ 220,698

Table 4-1B - SOUTH ROADWAY Impact Fee COLLECTED by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.
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	216,416	400,661
FY 2019-20		91,428	-	91,428
6-Year Total		\$ 863,127	\$ 985,055	\$ 1,848,183
6-Year Average		\$ 143,855	\$ 164,176	\$ 308,030

Table 4-1C - TOTAL ROADWAY Impact Fee COLLECTED by Fiscal Year					
6 Month & 12 Month Activity					
Fiscal Year		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.	Fund Balance
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	6,953,958
FY 2018-19		333,851	285,398	619,249	6,591,968
FY 2019-20		193,400	-	193,400	
6-Year Total		\$ 1,650,774	\$ 1,521,597	\$ 3,172,371	
6-Year Average		\$ 275,129	\$ 253,600	\$ 528,729	

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		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.
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	1,000,000
FY 2019-20*		-	-	-
6-Year Total		\$ 734,112	\$ 739,988	\$ 1,474,099
6-Year Average		\$ 122,352	\$ 123,331	\$ 245,683

Table 4-2B - SOUTH ROADWAY Impact Fee EXPENSED by Fiscal Year				
6 Month & 12 Month Activity				
Fiscal Year		Oct. thru Mar.	Apr. thru Sept.	Oct. thru Sept.
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	125,000
FY 2019-20*		-	-	-
6-Year Total		\$ 65,362	\$ 71,238	\$ 136,599
6-Year Average		\$ 10,894	\$ 11,873	\$ 22,767

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	CIP Orig	Reference CIP 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	Bourland Road	Johnson	Mt. Gilead	New	1.01	4	UC4	100%	\$6,142,560	\$3,029	\$6,145,589
A	2009	4b	Bourland 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				\$32,870,024	\$17,820	\$32,887,844
B	2004	8	Bourland 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 Recoup - Recoupment project DA- Divided arterial facility New - New Project UA- Undivided arterial facility * TxDOT Project, City participation DC- Divided collector facility UC4- Undivided collector facility - 4 lane UCS- Undivided collector with center turn-lane UC2- Undivided collector facility - 2 lane													

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] (4)	462,500	925,000	50.0%	
Mt. Gilead/Roanoke Rd Roundabout (3)	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%	

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, 2020	\$ 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 Allocation \$ 2,423,994
Reason for Variance:

Line-Item Description	Project Budget	Activity thru September 30, 2019	\$ Remaining	% Transferred / Expenses
Johnson Road Reconstruction [RS to KS] (2)				
Impact Fees	1,000,000	1,000,000	-	100.0%
General Fund	1,000,000	1,000,000	-	100.0%
Total Revenues	\$ 2,000,000	\$ 2,000,000	\$ -	100.0%
% of Project = Impact Fees	50.0%	50.0%		
Engineering/Design	-	113,989	(113,989)	0.0%
Construction	2,000,000	-	2,000,000	0.0%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 2,000,000	\$ 113,989	1,886,011	5.7%

Impact Fee CIP Cost Allocation \$ 2,423,994
Reason for Variance:

Bear Creek / Keller-Smithfield Signal (12, 15, 16)				
Impact Fees	125,000	125,000	-	100.0%
General Fund	125,000	125,000	-	100.0%
Total Revenues	\$ 250,000	\$ 250,000	\$ -	100.0%
% of Project = Impact Fees	50.0%	50.0%		
Engineering/Design	-	-	-	0.0%
Construction	250,000	31,673	218,327	12.7%
Right of Way	-	-	-	0.0%
Legal	-	-	-	0.0%
Total Expenditures	\$ 250,000	\$ 31,673	218,327	12.7%

Impact Fee CIP Cost Allocation \$ 2,423,994
Reason for Variance:

CONCLUSIONS AND RECOMMENDATIONS

It is staff's opinion that the collection of impact fee service units over the 52-month period from June 2, 2015 thru March 31, 2020 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.