

City Council Presentation

Master Planning and Impact Fee Study

February 9, 2021

Presented by: Al Raymond, III, AIA, CBO

Director

Development Services Department



Utilities Trust Fund Overview

Background, History and Timeline

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Best Practices and Recommended Action Plan

Brief Explanation of RFQ

Benefits to the City

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Utilities Trust Fund Background

The establishment of the Utilities Infrastructure Trust Funds started in direct response to the City's perceived lack of planning and leadership in installing required Master Planned Infrastructure prior to 1982

The development community (home builders, engineering firms, prominent landowners) working with City staff created a mechanism, the Utilities Trust Funds, to reimburse developers for the costs of oversizing and extending water and wastewater infrastructure

The unintended consequences of the establishment of the Trust Funds was that the City relegated the responsibility of extending nearly all new water and wastewater infrastructure to the Development Community

Utilities Trust Fund History

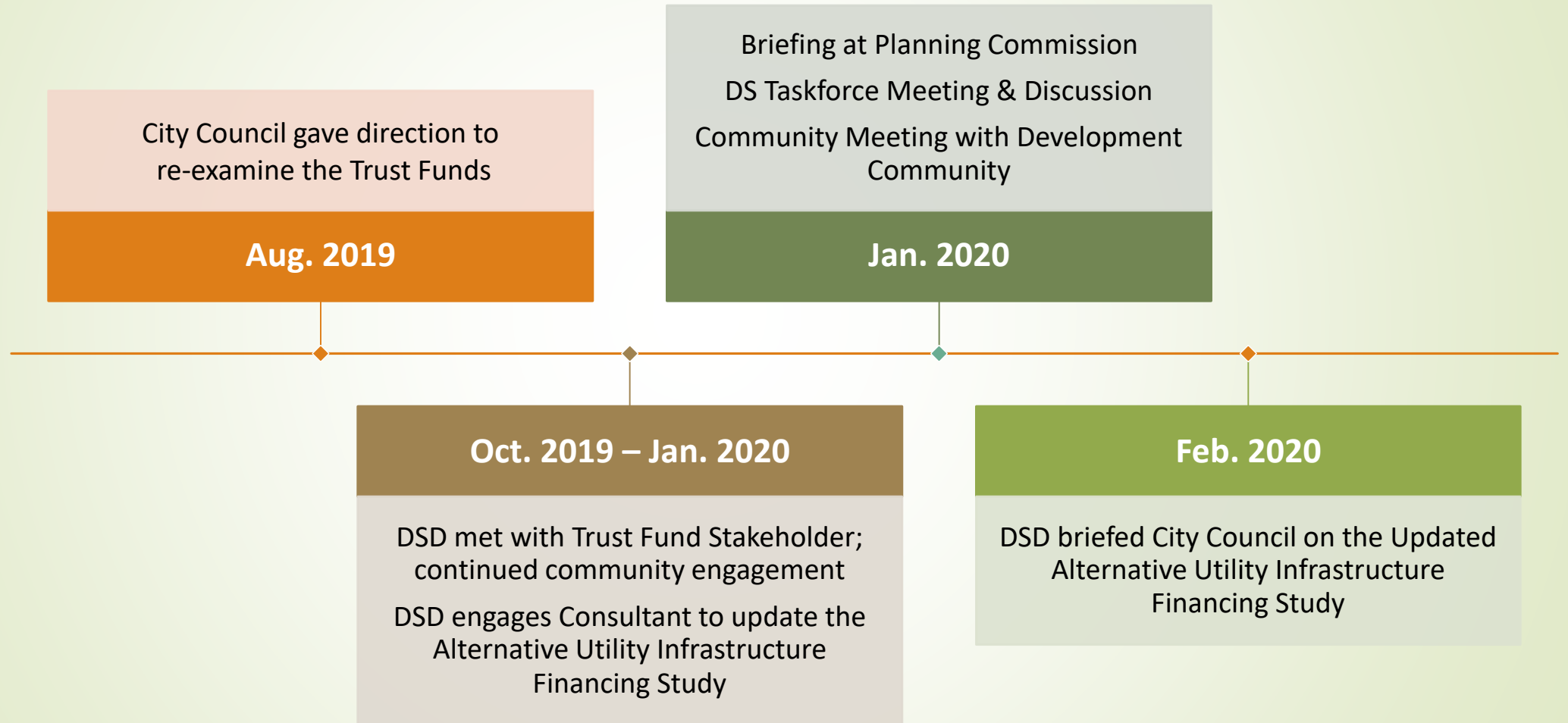
- The Original trust fund ordinances for water and wastewater were passed in 1982.

- On August 19, 2003, lift stations and force mains were added to the reimbursement eligible items from the Trust Funds.

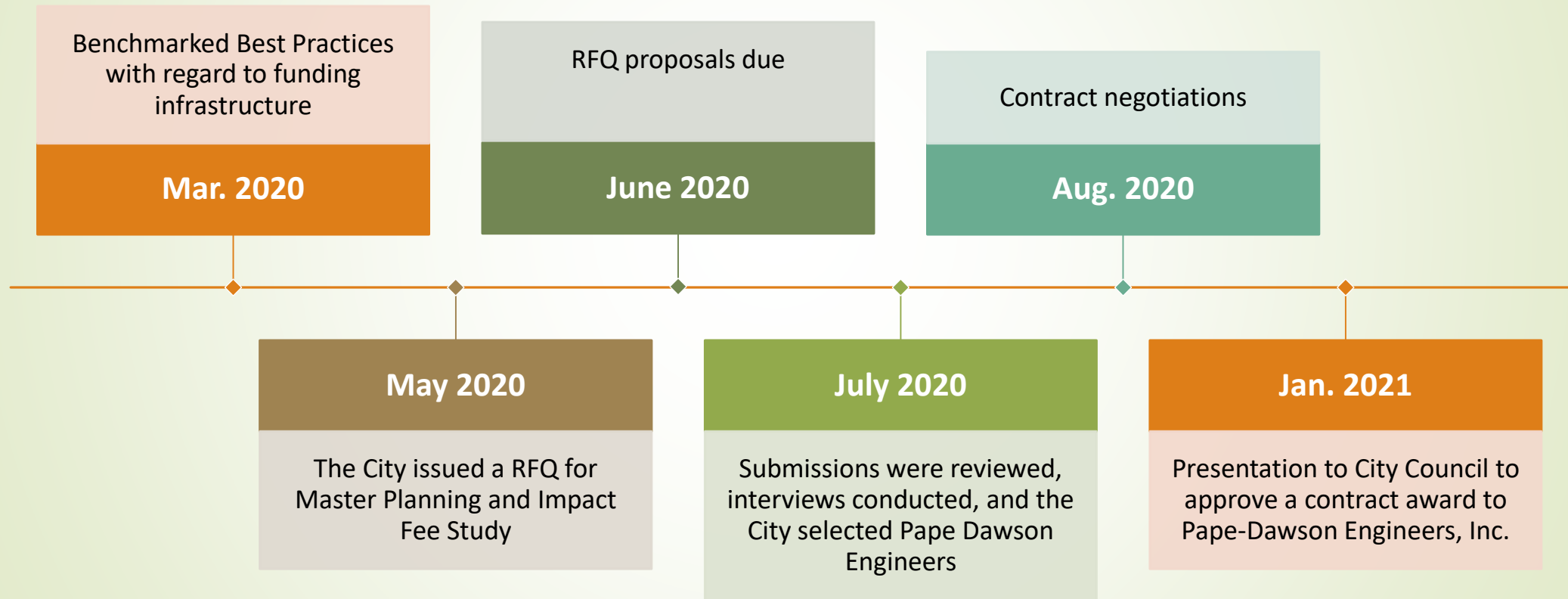
- From 1982 to 2020 the Trust Funds have paid out approximately \$30 million to reimburse Developers for building infrastructure for their particular projects. These funds were not used to reimburse the City for the installation of new utility lines or for the upgrading of treatment facility's due to the increased demand from the new developments.

- \$34 million dollars is not nearly enough to keep up with the rapid growth of the city which encompasses 160 square miles of land and has a population of approximately of 330,000.

City Council Timeline to Reexamine the Trust Funds



City Council Timeline to Reexamine the Trust Funds



Recap



THE TRUST FUNDS HAVE BEEN THE CITY'S PRIMARY SOURCES OF INFRASTRUCTURE EXPANSION FOR 38 YEARS & PAID OUT APPROXIMATELY \$34 MILLION



ON AUGUST 19TH CITY COUNCIL GAVE DIRECTION TO DSD TO REEXAMINE THE TRUST FUNDS



NEW APPROACH: DSD ENGAGES CONSULTANT TO UPDATE THE ALTERNATIVE UTILITY INFRASTRUCTURE FINANCING STUDY



BENCHMARK BEST PRACTICES FOR FUNDING INFRASTRUCTURE



2019 ALTERNATIVE UTILITY INFRASTRUCTURE FINANCING STUDY FINDINGS



RECOMMENDATION: CONSIDER TRANSITIONING TO IMPACT FEES

City	2019 Population	Growth Rate	Water	Wastewater	Stormwater
Houston	2,338,187	1.23%	Impact Fees and Rates	Impact Fees and Rates	Impact Fees/Utility Fees
San Antonio	1,544,672	1.75%	Impact Fees and Rates	Impact Fees and Rates	Stormwater Utility Fees
Dallas	1,358,066	1.45%	Water Utility Rates	Water Utility Rates	Stormwater Utility Fees
Austin	974,581	2.42%	Impact Fees and Rates	Impact Fees and Rates	Stormwater Utility Fees
Fort Worth	894,195	2.17%	Impact Fees and Rates	Impact Fees and Rates	Stormwater Utility Fees
El Paso	681,877	0.56%	Impact Fees and Rates	Impact Fees and Rates	Stormwater Utility Fees
Arlington	391,409	0.79%	Impact Fees and Rates	Impact Fees and Rates	General Fund
Corpus Christi	326,162	0.76%	Rates and Dev't Fees	Rates and Dev't Fees	Water Utility Rates
Plano	290,441	1.28%	Water Utility Rates	Water Utility Rates	Stormwater Utility Fees
Laredo	268,057	1.46%	Water Utility Rates	Water Utility Rates	Stormwater Utility Fees

*Source: 2019 Alternative Utility Financing Study Report

Summary Comparison of How Other Texas Cities Fund Infrastructure

RFQ: Master Planning & Impact Fee Study

- ▶ RFQ released: May 2020
- ▶ Proposals Due: June 2020
- ▶ Committee Selected: Pape-Dawson Engineers, Inc.
- ▶ Project Scope:
 - ▶ Review & evaluate existing Land Use Assumptions
 - ▶ Develop a comprehensive Water Master Plan; Wastewater Master Plan; Stormwater Master Plan and Roadway & Mobility Master Plan
 - ▶ Additionally, the consultant will perform an Impact Fee Study for Water, Wastewater, Stormwater and Roadway infrastructure
 - ▶ The Master Planning and Impact Fee Study process will require public outreach and public engagement including but not limited to Public Hearings, Advisory Group Meetings and Stakeholder Group Meetings
- ▶ Schedule & Costs
 - ▶ Performance period: 18 months
 - ▶ Contract is for 3 years with 1-year renewal options
 - ▶ \$2,289,700

What You Are Considering?



CONTRACT AWARD,
PAPE-DAWSON
ENGINEERS, INC.
MASTER PLANNING AND
IMPACT FEE TOTAL

\$2,289,700



PROJECT MANAGEMENT,
LAND USE ASSUMPTIONS,
PUBLIC ENGAGEMENT &
EXPENSES
\$499,800



WATER
(PROJECT MANAGEMENT &
MASTER PLANNING AND
IMPACT FEE STUDY)
\$262,600



WASTEWATER
(PROJECT MANAGEMENT &
MASTER PLANNING AND
IMPACT FEE STUDY)
\$418,000



STORMWATER
(PROJECT MANAGEMENT &
MASTER PLANNING AND
IMPACT FEE STUDY)
\$530,000



ROADS
(PROJECT MANAGEMENT &
MASTER PLANNING AND
IMPACT FEE STUDY)
\$579,300

Benefits to the City

Long term growth plan

- Long range master plans, which would allow the City to prioritize service extensions in 4 major areas of concern

Incentivize development

- Areas of town we would like to see grow
- Economic Development incentives

Predetermined fees

- On all new development that is served by the improved facilities
- Developers could be given credits

Promote better capital improvements planning

- The impact of growth on our treatment facilities and aging infrastructure will now be costs associated with new development

Lower rates

- Shifting some of the cost burden of growth-related infrastructure and associated debt

Line extensions could be prioritized based on area growth projections

- Impact fee could incentivize development in service areas dictated by Council

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- ▶ Staff requests approval to award Pape Dawson Engineers, Inc. a professional services contract in the amount of \$2,289,700 to initiate the process to provide the City with master planning and an impact fee study

Staff Recommendation