

Impact Fee Study Update

City Council

May 5, 2020





Waco Comprehensive Plan 2040

- “Consider the adoption of impact fees as a means of ensuring new development pays an equitable share of the costs associated with the construction and expansion of public infrastructure needed to service new development. Impact fees shift some of the costs of financing public facilities from the general taxpayer to the direct beneficiaries of these facilities.”



Basic Question

Who Pays for Growth?



No Impact Fees:
Existing rate & tax
payers build all
capital facilities.

Impact Fees:
New development
shares in part of
this responsibility.

What is an Impact Fee?

- As allowed by Chapter 395 of the Texas Local Government Code
 - Impact fees are a one-time charge imposed by a City against new development at building permit.
 - The fees are based on land use assumptions, expected population growth and corresponding capital improvements and expenditures necessary to support that growth.
 - Impact Fees can be used for increased capacity needed for new development for Roadway, Water and Wastewater infrastructure.



What is eligible for Impact Fees?

- Recently constructed improvements with excess capacity to accommodate growth.
- Proposed projects that will accommodate growth within the next 10 years.
 - Construction Cost, ROW Acquisition, Engineering and Surveying Fees, etc.
- Financing Costs
- Cost of Impact Fee Study
 - Split between Water, Wastewater and Roadway Impact Fees



Impact Fee Process

- Chapter 395 requires:
 - A three phase process lead by a Professional Engineer
 - Develop Land Use Assumptions and Capital Improvement Plan- **Completed**
 - Impact Fee Calculations- In Process
 - Impact Fee Ordinance Adoption
 - Creation of Capital Improvement Advisory Committee to make recommendations to City Council



Capital Improvement Advisory Committee

- Appointed by City Council
 - Plan Commission Members
 - Development Representatives (Herb Cross, Scott Bland, Ken Cooper and David Mercer)
- Conducted 3 meetings
- Provided recommendation on the Land Use Assumption and Capital Improvement Plan
- Will provide recommendation on Impact Fee Ordinance



Land Use Assumptions

- 10 year population employment growth for City Limits and Extraterritorial Jurisdiction
- Census data, MPO & Comprehensive Plan growth projections & building permit data
- Stakeholder's Meeting

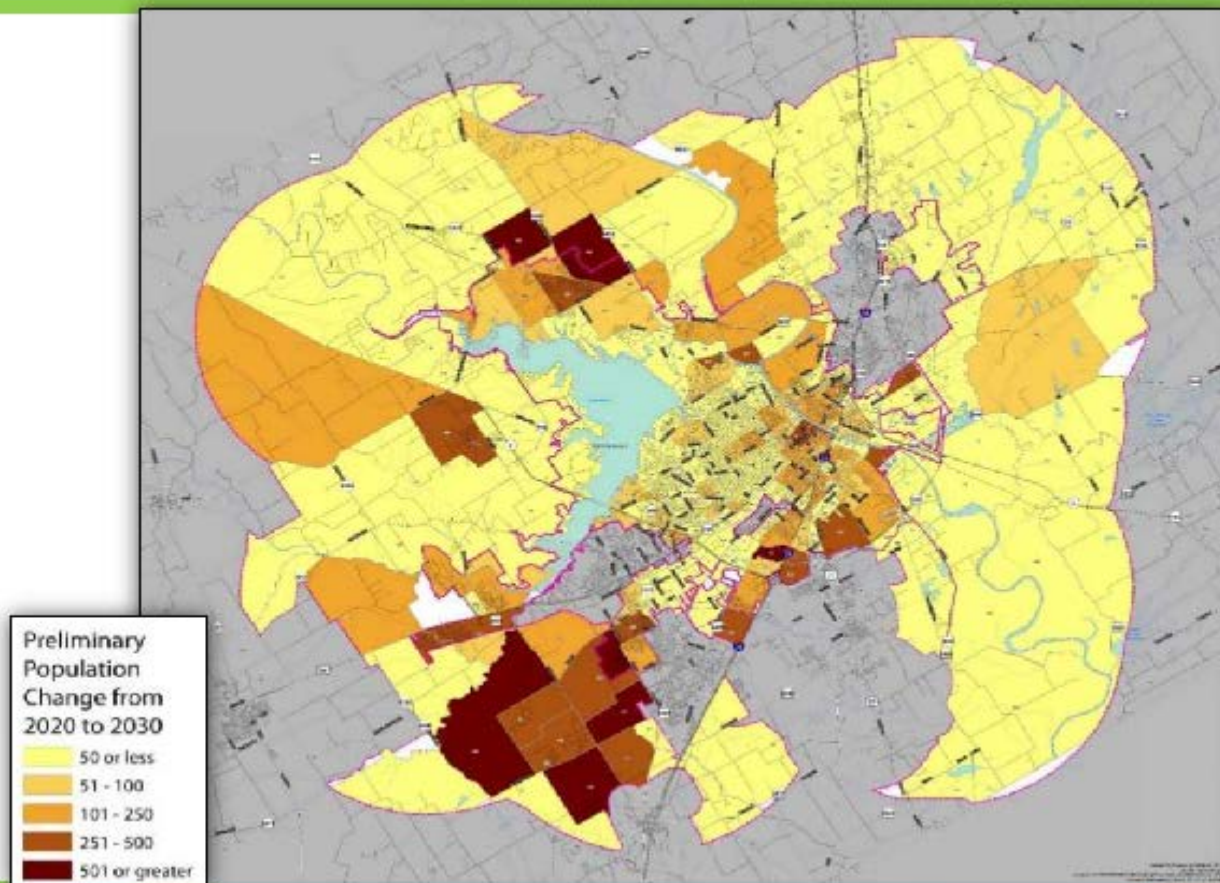


Population and Employment

	Population			Employment		
	2020	2030	2040	2020	2030	2040
Water and Wastewater Service Area (City Limits and ETJ)	159,497	188,433	226,443	71,669	82,132	98,329
Roadway Service Area (City Limits minus TAZs 163, 166, 401)	140,951	158,465	177,358	67,297	75,620	84,989

- Recommended average annual compounded growth rate (AACGR)—1.2% inside the city limits / approximately 600 dwelling units average per year
- In the ETJ – 4.9 % increase in population
- CIAC presentation/approval in July 2019

Growth Areas



Capital Improvement Plan

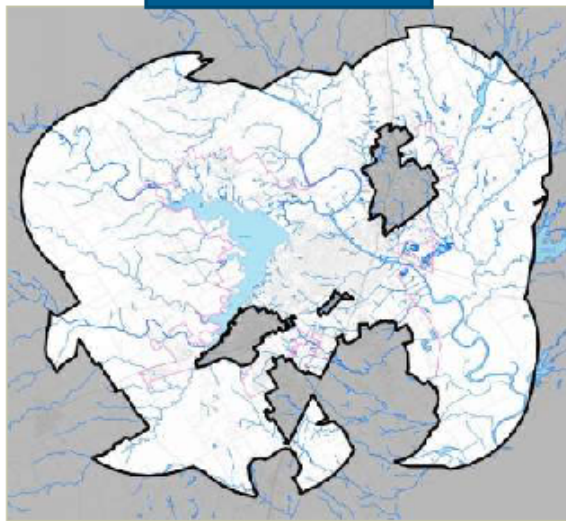
- Needed infrastructure for projected growth
- Sources:
 - Comprehensive Plan Master Plans
 - MPO Thoroughfare Plan
 - City's Capital Improvement Plan
 - Area Studies
 - City Staff
- 2 stakeholder meetings held



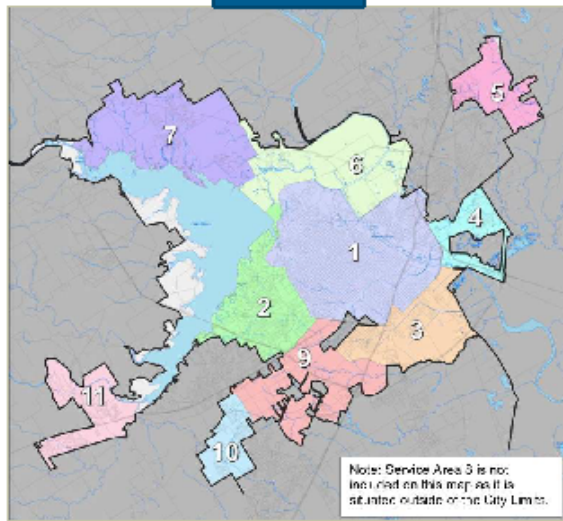
Study Area/Service Area

- The city limits AND extraterritorial jurisdiction (ETJ) for water and wastewater
- City limits only for roadways (per state statute)

Water/Wastewater



Roadway

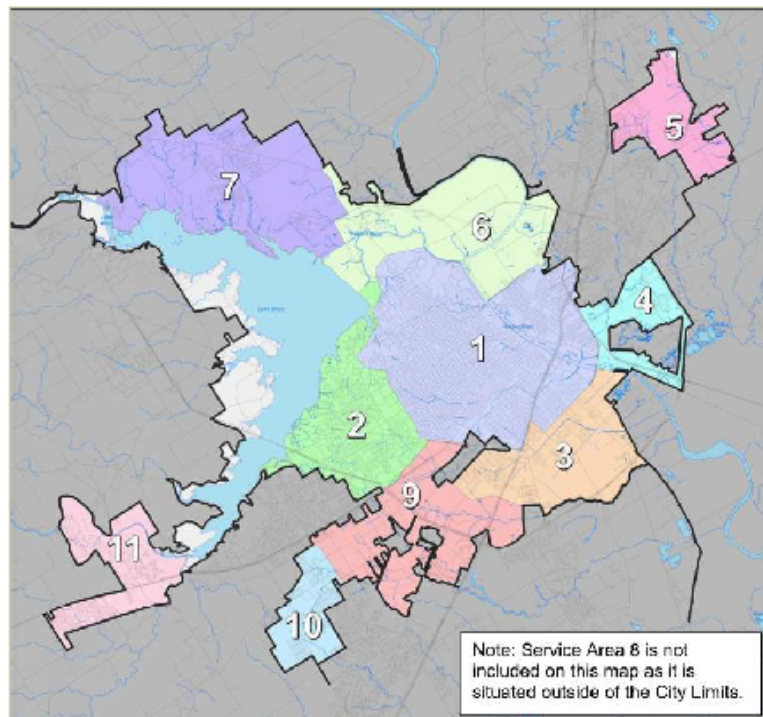


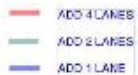
Roadway CIP



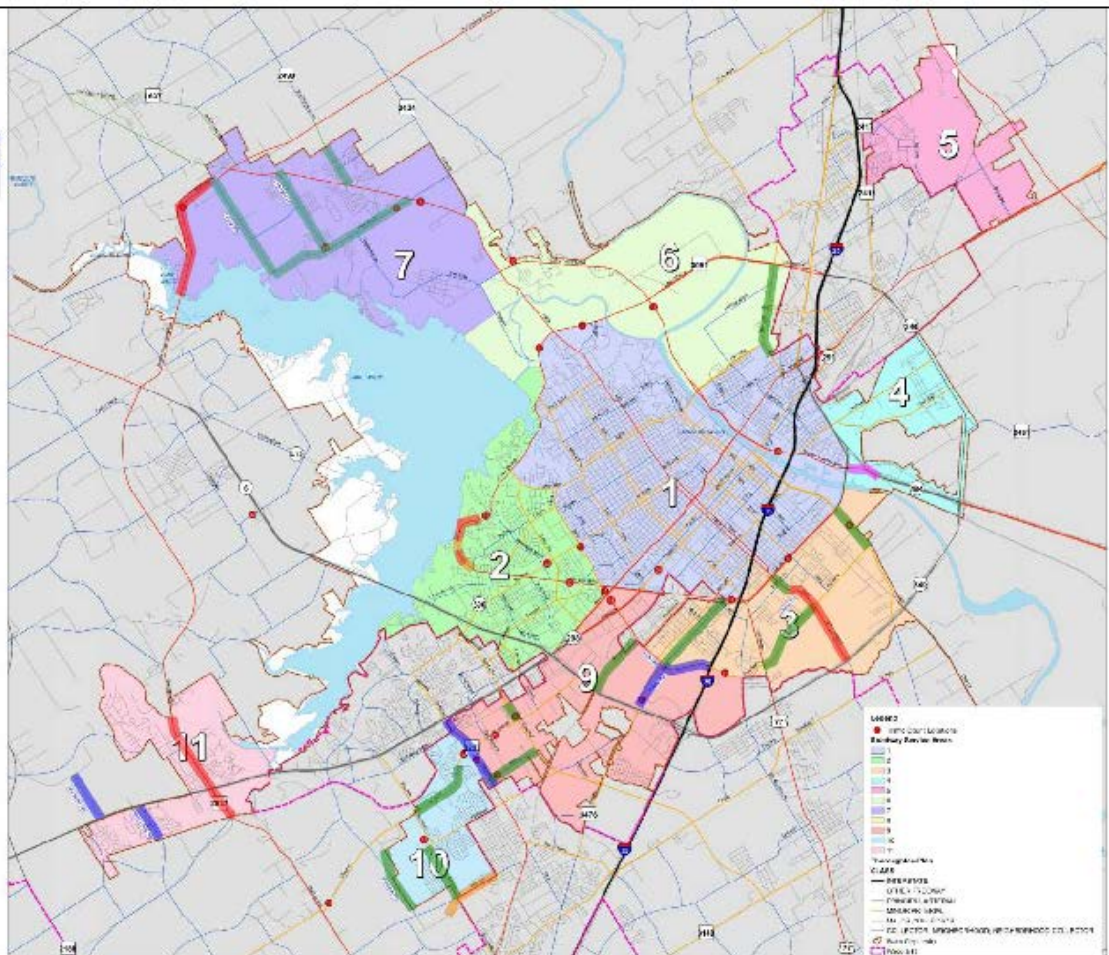
Service Area Considerations

- Confined to city limits
- Service areas up to 6-mile diameter
- Fees must be spent in the service area in which they are captured





DRAFT Roadway Impact Fee Capital Improvements Plan







Water and Wastewater CIP






Water Impact Fee CIP

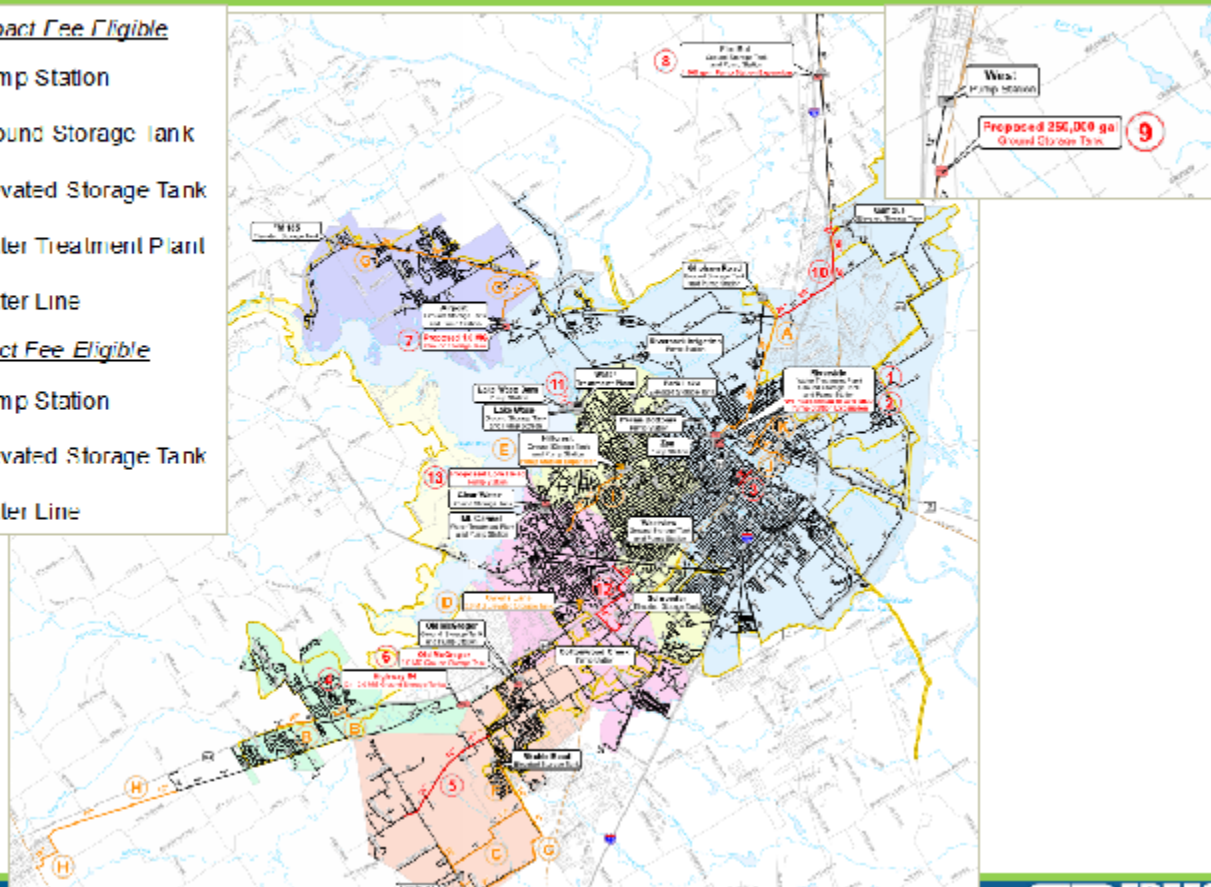
Proposed Impact Fee Eligible

-  Pump Station
-  Ground Storage Tank
-  Elevated Storage Tank
-  Water Treatment Plant

 Water Line

Existing Impact Fee Eligible

-  Pump Station
-  Elevated Storage Tank
-  Water Line



Water Impact Fee CIP

Project Number	Water Project Name
Existing Impact Fee Eligible Projects	
A	Riverside to Gholson 30-inch Water Line
B	Highway 84 Water Line Improvements
C	Spring Valley Water Lines
D	Owens Lane 2.0 MG Elevated Storage Tank
E	Hillcrest Pump Station Expansion
F	16-inch Ritchie Road Water Line
G	China Spring Water Line
H	McGregor-Waco-Woodway Connection 16" Water Line
I	Water Transmission Improvements Mt. Carmel to Hillcrest
J	Peach Street 16-inch Water Line
K	Elm Street 12-inch Water Line
L	Impact Fee Study
Proposed Impact Fee CIP Projects	
1	Riverside Water Treatment Plant Expansion
2	Riverside Pump Station Expansion
3	Downtown Mary Avenue to 5th Street
4	Highway 84 2.0 MG Ground Storage Tanks
5	Chapel Road 16-inch Water Line
6	Old McGregor 3.0 MG Ground Storage Tank
7	Airport 1.0 MG Ground Storage Tank
8	Elm Mott 1,500 gpm Pump Station Expansion
9	West 250,000 gallon Ground Storage Tank
10	20/24-inch Water Line in Pressure Plane 1
11	72-inch Parallel Raw Water Line
12	16/24-inch Water Line in Pressure Plane 3
13	Low Head Pump Station at Mt. Carmel WTP



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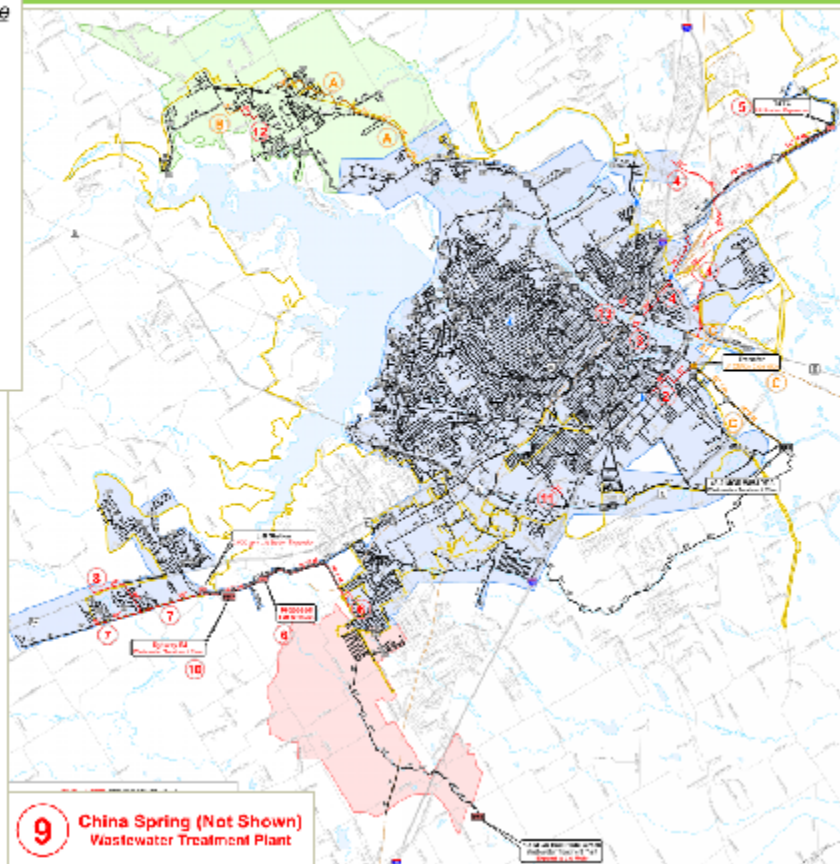
Wastewater Impact Fee CIP

Proposed Impact Fee Eligible

- Lift Station
- Wastewater Treatment Plant
- Gravity Main
- Force Main

Existing Impact Fee Eligible

- Gravity Main
- Force Main



9 China Spring (Not Shown)
Wastewater Treatment Plant

Wastewater Impact Fee CIP

Project Number	Wastewater Project Name
Existing Impact Fee Eligible Projects	
A	FM 1637 12/15/21/24-inch Wastewater Line
B	China Spring 24-inch Wastewater Line
C	Transfer Lift Station, Force Main, and 66-inch Gravity Line
D	Impact Fee Study
Proposed Impact Fee CIP Projects	
1	Bull Hide Wastewater Treatment Plant Expansion to 3.0 MGD
2	Brazos Basin Interceptor
3	54-inch Wastewater Line at Lake Brazos Park
4	Belmead Interceptor / Lacy Lakeview Interceptor
5	TSTC Lift Station Expansion and Force Main
6	Cloice Creek and Church Road Lift Stations, Force Mains, and 21-inch Gravity Line
7	Highway 84 30-inch Wastewater Line
8	Highway 84 24-inch Wastewater Line
9	China Spring Wastewater Treatment Plant
10	Highway 84 Wastewater Treatment Plant
11	New Quest Wastewater Line
12	24-inch Wastewater Line
13	Bridge 18-inch Wastewater Line

Next Steps

- Impact Fee Calculations
 - April to June
- Stakeholder Meetings and CIAC Meeting #4
 - June to August
- Public Hearings on Impact Fee Ordinance
 - August and September



Questions?

