



CAPITAL IMPROVEMENTS ADVISORY COMMITTEE AGENDA

Tuesday, August 10, 2021
6:00 p.m.
City Hall - Council Chamber
Daniel P. Moore Community Center Complex
1900 Billy G. Webb Drive
Portland, Texas

1. **CALL TO ORDER:** CHAIRPERSON FORSYTHE
2. **ROLL CALL:** CITY SECRETARY
3. **PUBLIC COMMENT - AUDIENCE AND PRESENTER SOCIAL DISTANCING AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT AT PUBLIC MEETINGS OF THE CITY COUNCIL:**

Public testimony and public hearing input for Public Comment and all items on the agenda should be provided in written format and presented to the City Secretary prior to the start of each meeting of the City Council. Written comments on agenda items may also be submitted through the City's Speak-Up website at www.portlandtx.com/418/Media-Center one (1) hour prior to the meeting.

Written public testimony will be provided to members of City Council prior to voting on measures for that meeting and included in the meeting record.

Written and oral testimony as described shall serve as public testimony pursuant to Texas Government Code 551.007 for purposes of any public hearing requirement under law. The meeting may be held telephonically or via videoconference.

Persons wishing to speak must fill out a speaker request card prior to the meeting. You will be notified when it is your turn to speak. Speakers will be given four (4) minutes to speak.

4. **MINUTES:** THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE WILL CONSIDER THE MINUTES OF ITS JULY 27, 2021 MEETING - CHAIRPERSON FORSYTHE

5. **AMENDED LAND USE ASSUMPTIONS, AMENDED CAPITAL IMPROVEMENT PLANS AND COSTING, IMPACT CALCULATIONS, AND IMPACT FEE COLLECTION RATES:** THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE WILL CONSIDER A RECOMMENDATION TO THE CITY COUNCIL OF APPROVAL OF AMENDED LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLANS AND COSTING, AND MAXIMUM IMPACT FEE COLLECTION RATES – DEPUTY CITY MANAGER
6. **ADJOURNMENT:** CHAIRPERSON FORSYTHE

Posted: August 6, 2021 by 5:00 p.m.

Portland City Hall

Electronically at www.portlandtx.com

By: *Annette Hall*

Annette Hall

City Secretary

**CITY OF PORTLAND
CAPITAL IMPROVEMENT ADVISORY COMMITTEE
MEETING MINUTES
JULY 27, 2021 – 6:00 P.M.**

On this the 27th day of July 2021, the Capital Improvement Advisory Committee of City of Portland convened in a regular meeting session at 6:00 p.m. in the Council Chambers of City Hall, Daniel P. Moore Community Center Complex and notice of regular meeting giving the time, place and date and subject having been posted as described by Section 551 of the Government Code.

COMMITTEE MEMBERS PRESENT:

Craig Forsythe (Chairperson)
Brad Sarchet (Vice-Chairperson)
Jerry Browning
Mark Wendland
Warren Phipps
Leticia Kanmore

COMMITTEE MEMBERS ABSENT:

John Rooney
Larry Baker Jr.

EXECUTIVE STAFF PRESENT:

Randy Wright	City Manager
Brian DeLatte	Deputy City Manager
Kathleen Weisenberger	Assistant City Manager
Annette Hall	City Secretary
Jerry Moore	Director of Development Services
Kenny Banks	Director of Public Works

And with a quorum being present, the following business was transacted:

1. CALL TO ORDER: CHAIRPERSON FORSYTHE

Chairperson Forsythe called the meeting to order at 6:02 p.m.

2. ROLL CALL: CITY SECRETARY

3. PUBLIC COMMENT - AUDIENCE AND PRESENTER SOCIAL DISTANCING AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT AT PUBLIC MEETINGS OF THE CITY COUNCIL:

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4. MINUTES: THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE WILL CONSIDER THE MINUTES OF ITS JANUARY 14, 2020 MEETING - CHAIRPERSON FORSYTHE

Committee Member Kanmore made the motion to approve the minutes of January 14, 2020 minutes, seconded by Committee Member Wendland.

The motion passed with the following vote:

For:	6	Committee Member Phipps, Vice-Chairperson Sarchet, Committee Member Browning, Chairperson Forsythe, Committee Member Wendland and Committee Member Kanmore
Against:	0	
Abstain:	0	
Absent:	2	Committee Member Rooney and Committee Member Baker

5. AMENDED LAND USE ASSUMPTIONS, AMENDED CAPITAL IMPROVEMENT PLANS AND COSTING, IMPACT CALCULATIONS, AND IMPACT FEE COLLECTION RATES: THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE WILL RECEIVE A PRESENTATION AND WILL CONSIDER A RECOMMENDATION TO THE CITY COUNCIL OF APPROVAL OF AMENDED LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLANS AND COSTING, IMPACT FEE CALCULATIONS, AND MAXIMUM IMPACT FEE COLLECTION RATES – DEPUTY CITY MANAGER AND CONSULTING CITY PLANNER

Eddie Haas, Senior Planner with Freese and Nichols presented and reviewed the following information with the Committee Members:

Agenda

1. Overview & Refresher

2. LUA, CIP, and Cost per Service Unit Calculations
3. CIAC Discussion & Recommendation

Program Development Process

CIA Coordination

1. ✓ Develop Land Use Assumptions
2. ✓ Develop Capital Improvement Plan
3. ✓ Conduct Impact Fee Calculations/Prepare Technical Report (in progress
4. Public Hearings and Council Consideration
 - LUA & CIP
 - Impact Fee
5. Adopt Impact Fee Ordinance

1. Land Use Assumptions

	Population			Employment		
	2020	2030	2040	2020	2030	2040
Water/Wastewater Service Area (City Limits and ETJ)	23,299	28,401	34,621	3,470	4,273	5,120
Roadway Service Area (City Limits Only)	23,039	28,084	N/A	3,469	4,196	N/A

	Population		Employment	
	2020-2030 Change	2020-2040 Change	2020-2030 Change	2020-2040 Change
Water/Wastewater Service Area (City Limits and ETJ)	5,102	11,322	803	1,650
Roadway Service Area (City Limits Only)	5,045	N/A	727	N/A

2. Capital Improvements Planning

- Roadway
- Water
- Wastewater
- Drainage

Initial CIAC Recommendation

- ✓ Approval of Land Use Assumptions
- ✓ Approval of Impact Fee CIPs
- ✓ Approval of Technical Calculations

- ✓ Approval of Calculated Cost per Service Unit
- ✓ Collection Rate Recommendation
- CIAC Letter to Council

Infrastructure Component	Max. Collection Rate
Roadway (Vehicle-Mile)	\$1,454.00
Water (5/8" meter)	\$6,905.00
Wastewater (5/8" meter)	\$4,926.00
Drainage (Square Foot Impervious Surface)	\$0.34

What has changed?
City Annexation

Program Development Process

CIAC COORDINATION

1. ✓ Develop Land Use Assumptions
2. ✓ Develop Capital Improvement Plan
3. ✓ Conduct Impact Fee Calculations/Prepare Technical Report (in progress
4. Public Hearings and Council Consideration
 - LUA & CIP
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City Annexation: Service Areas Map – Roadway

City Annexation: Service Areas Map – Water/wastewater

City Annexation: Service Areas Map - Drainage

1. Amended Land Use Assumptions

Land Use/Growth Assumptions

- 10-year growth projections for impact fees

- Prepared by Service Area
- Basis for CIP development
- Populations & employment used to drive demand by future growth

Draft Future Land Use Plan – Map

Forecasted Growth

- Population CAGR: 2.0%
- Employment CAGR: 1.9%

	Population			Employment		
	2021	2031	2021-2031 Change	2021	2031	2021-2031 Change
Roadway	23,044	28,091	5,047	3,472	4,191	719
Water/Wastewater	23,149	28,218	5,069	3,470	4,230	760

2. Amended Capital Improvement Plans

**Roadway Impact Fee Capital Improvements Plan
Thoroughfare Plan (Draft)
Roadway IFCIP
Impact Fee CIP – Chart**

Roadway CIP Summary

	Service Area 1	Service Area 2
Projected Growth	2,004	4
Net CIP Capacity Supplied	19,237	413
Capacity Consumed by New Growth	10%	0.9%

**Cost Assumptions
New Projects**

- Construction estimates using unit costs
- Engineering/Survey/Testing: 7% of construction costs
- ROW Acquisition: \$1.00/sf
- Finance: 3.0% over 10 years

Recoupment Projects

- Actual project costs

Study Update Costs

****CIP Cost Credited 50%****

IFCIP Costing

Service Area	Total Project Cost	Project Cost (50% Credit)	Cost of Net Capacity Supplied	Pct. Of CIP Attributable to Growth	Cost Attributable to Growth
1	\$57,694,945	\$28,847,473	\$28,847,473	10.4%	\$3,005,164
2	\$896,287	\$448,144	\$448,144	0.9%	\$4,140

Cost per Service Unit

$$\text{Impact Fee per Service Unit} = \frac{\text{IFCIP Cost}}{\text{New Service Units}}$$

- IFCIP Cost credited 50%for the portion of ad-valorem taxes generated by projects

	1	2
Cost of Net Capacity	\$28,847,473	\$448,144
Percent Attributable to Growth	10.4%	0.9%
Cost Attributable to Growth	\$3,005,164	\$4,140
10-year Projected Growth in Service Units	2,004	4
Maximum Impact Fee per Service Unit without Credit	\$2,998	\$2,068

Impact Fee Credit per Service Unit	\$1,499	\$1,034
Maximum Allowable Impact Fee per Service Unit with (50%) Credit	\$1,499	\$1,034

Cost per Service Unit Calculation

Calculating the Roadway Portion of the Impact Fee

Example: New Development located Akins/Moore with and collection rate of \$1,499 per vehicle-mile.

1 Single-Family Home

1 dwelling unit x 0.79 veh-miles/dwelling unit = 0.79 veh-miles

0.79 veh-miles x \$1,499/veh-mile = \$1,184.00

10,000 square foot (s.f.) Retail Center

10 (1,000 s.f. units) x .92 veh-miles/1,000 s.f. units = 9.2 veh-miles

9.2 veh-miles x \$1,499/veh-mile = \$13,791.20

**Water/Wastewater Impact Fee
Capital Improvements Plan**

Water Impact Fee CIP - Map

Water Impact Fee CIP -List

Wastewater Impact Fee CIP – Map

Wastewater Impact Fee CIP – List

Service Unit Equivalencies (SUE)

- SUE table from AWWA Water Meters Manual 2018

Meter Size	Meter Type	Maximum Flow (gpm)	Calculated ServiceUnit equivalents
5/8"	Displacement	15	1.0
1"	Displacement	40	2.7
1 1/2"	Displacement	50	3.3

2"	Displacement	100	6.7
3"	Turbine	350	23.3
4"	Turbine	600	40.0
6"	Turbine	1,250	83.3
8"	Turbine	2,400	160.0

Project Service Units

Meter Size	2021		2031		Growth in Service Units
	Number of Meters	Service Units	Number of Meters	Service Units	
5/8"	5,912	5,912	7,258	7,258	1,346
1"	300	800	369	985	185
1 1/2"	95	317	117	390	73
2"	134	893	165	1,100	207
3"	18	420	22	517	97
4"	9	360	11	443	83
6"	6	500	7	616	116
8"	0	0	0	0	0
Total	6,474	9,202	7,950	11,309	2,107

Impact Fee Calculation

- Impact Fees Calculated by Dividing Eligible CIP/Growth in Service Units
- Credit of 50% for the portion of ad-valorem taxes generated by CIP improvements
- Fee collected can be less than maximum

$$\text{Impact Fee Per Service Unit} = \frac{\text{Eligible CIP Cost} - \text{Credit}}{\text{New Service Units}}$$

WATER/WASTEWATER

Water/Wastewater Impact Fee Calculations

	Water	Wastewater
Capital Improvements Costs	\$14,488,271	\$17,686,443
Financing Costs	\$1,723,297	\$2,103,702
Total Eligible Costs	\$16,211,568	\$19,790,145
10-year Projected Growth in Service Units	2,107	2,107
Maximum Impact Fee per Service Unit without Credit	\$7,693	\$9,392
Impact Fee Credit per Service Unit	\$3,847	\$4,696
Maximum Allowable Impact Fee per Service Unit with (50%) Credit	\$3,846	\$4,695

Drainage

Capital Improvements Plan

Drainage Service Areas – Map

Drainage Impact Fee

- Impact Fees Calculated by Dividing Eligible CIP/Growth in Service Units (sq. ft. of impervious surface area)
- 2016 Stormwater Master Plan was used to obtain CIP costs
- Note only Doyle Watershed had proposed CIP costs from Master Plan

WATERSHED	Existing Impervious Area (sq. ft.)	Future Impervious Area (sq. ft.)	Change in Impervious Area (sq. ft.)
Doyle	8,153,192	19,565,217	11,412,025

SWMP identified Projects (Doyle)

Drainage Impact Fee Calculations

Doyle Service Area	Drainage
Cost Attributable to 10-year Growth	\$7,783,822
Growth in Impervious Area	11,412,025
Maximum Allowable Impact Fee per Square Foot with (50%) Credit	\$0.34
Cost per 2,520 Square Foot of	

Impervious Cover*	\$859.41
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* Assumptions: Average lot size 7,200sf (60'x120') with 35% coverage.

Drainage Impact Fee Calculations
Maximum Fee by Service Area

Service Area	Fee per Square Foot Impervious Surface
Doyle	\$0.34
Green Lake	\$0.00
Northshore	\$0.00
Coastal	\$0.00
Gum Hollow	\$0.00
Memorial Gardens	\$0.00

CIAC Recommendation

- Approval of Land Use Assumptions
- Approval of Impact Fee CIPs
- Approval of Calculated Cost per Service Unit
- Collection Rate Recommendation
- CIAC Letter to Council

Infrastructure Component	Max. Collection Rate
Roadway (Vehicle-Mile)	\$1,499.00/\$1,034.00
Water (5/8" meter)	\$3,846.00
Wastewater (5/8" meter)	\$4,995.00
Drainage (Square Foot Impervious Surface)	\$0.34

Next Steps

- CIAC Recommendation Letter
- Public Hearings
- LUA/CIP –Sept. 7th
- Impact Fee –Oct. 19th

Vice-Chairperson Sarchet made the motion to recommend the City Council approval of the Land Use Assumptions and associated that forecasts population and employment growth forecasts over the ten-year planning period 2021-2031, seconded by Committee Member Phipps.

The motion passed with the following vote:

For: 6 Vice-Chairperson Sarchet, Committee Member Browning, Committee Member Phipps, Chairperson Forsythe, Committee, Committee Member Wendland and Committee Member Kanmore

Against: 0

Abstain: 0

Absent: 2 Committee Member Rooney and Committee Member Baker

Committee Member Phips made the motion to recommend to the City Council adopt the impact fee Capital improvements Plans for Roadway, Water, Wastewater and Drainage as presented in the Land Use Assumptions and Capital Improvements Plan submitted in July 2021 and approved through a Public Hearing with the City Council, seconded by Committee Member Browning.

The motion passed with the following vote:

For: 6 Vice-Chairperson Sarchet, Committee Member Browning, Committee Member Phipps, Chairperson Forsythe, Committee, Committee Member Wendland and Committee Member Kanmore

Against: 0

Abstain: 0

Absent: 2 Committee Member Rooney and Committee Member Baker

Committee Member Wendland made the motion to recommend the City Council approve the Calculated Cost per Service Unit, seconded by Committee Member Kanmore.

The motion passed with the following vote:

For: 6 Vice-Chairperson Sarchet, Committee Member Browning, Committee Member Phipps, Chairperson Forsythe, Committee, Committee Member Wendland and Committee Member Kanmore

Against: 0

Abstain: 0
Absent: 2 Committee Member Rooney and Committee Member Baker

Committee Member Browning made the motion to approve the maximum collection rate per service unit and infrastructure type, as outlined in the Table below Concurrence with the technically derived resultant cost per service unit calculated for each of the infrastructure components,

ROADWAY Service Area	Maximum Collection Rate (Per Service Unit)*
1	\$1,499.00
2	\$1,034.00
WATER	\$3,846.00
WASTEWATER	\$4,695.00
DRAINAGE	\$0.34

*Base service units by infrastructure type: Roadway-vehicle-mile, Water- 5/8" meter, Wastewater – 5/8" meter, and Drainage-per square foot of impervious surface.

Seconded by Committee Member Phipps.

The motion passed with the following vote:

For: 6 Vice-Chairperson Sarchet, Committee Member Browning,
 Committee Member Phipps, Chairperson Forsythe, Committee,
 Committee Member Wendland and Committee Member Kanmore

Against: 0
Abstain: 0
Absent: 2 Committee Member Rooney and Committee Member Baker

6. ADJOURNMENT: CHAIRPERSON

Chairperson Forsythe adjourned the meeting at 6:57 p.m.

Approved:

Chairperson, Craig Forsythe

Attest:

City Secretary

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of possibilities.

AGENDA TITLE	<u>AMENDED LAND USE ASSUMPTIONS, AMENDED CAPITAL IMPROVEMENT PLANS AND COSTING, IMPACT CALCULATIONS, AND IMPACT FEE COLLECTION RATES:</u> THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE WILL CONSIDER A RECOMMENDATION TO THE CITY COUNCIL OF APPROVAL OF AMENDED LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLANS AND COSTING, AND MAXIMUM IMPACT FEE COLLECTION RATES
MEETING DATE	8/10/2021
DEPARTMENT	Administration
SUBMITTED BY	Brian DeLatte, P.E., Deputy City Manager

EXECUTIVE SUMMARY

The Capital Improvements Advisory Committee (CIAC) was appointed by the City Council to advise and assist in the potential implementation of impact fees. The CIAC previously recommended approval of the land use assumptions, capital improvements, and maximum collection rates to the City Council. With recent annexations, consulting planner Freese and Nichols, Inc., has revised the land use assumptions, capital improvement plans and associated costing, and calculations for the maximum impact fee collection rates. The CIAC will receive will deliberate recommendations to the City Council.

PRIOR ACTIONS OR REVIEWS

- October 30, 2018—The City Council and Planning and Zoning Commission conducted a joint workshop to discuss updating the Comprehensive Plan and the process for implementing impact fees.
- November 6, 2018—The City Council engaged Freese and Nichols, Inc. to perform an update of the Comprehensive Plan and the development of the Roadway, Water, Wastewater, and Drainage Impact Fee structure.
- February 26, 2019—The City Council and Planning and Zoning Commission received a presentation from Freese and Nichols concerning the Comprehensive Plan update and potential impact fees
- May 21, 2019 and October 1, 2019—The City Council appointed a Capital Improvements Advisory Committee
- October 22, 2019—The CIAC received a presentation and recommended approval to the City Council of the land use assumptions and capital improvement plan for the potential imposition of impact fees

- January 14, 2020—The CIAC received a presentation and recommended approval to the City Council of the capital improvement plan costing and the maximum impact fee collection rates.
- May 25, 2021- As a result of recent city annexations, the City Council received a presentation from Freese and Nichols on the steps necessary to amend the impact fee study effort.
- July 27, 2021—The CIAC received a presentation from Freese and Nichols concerning the land use assumptions, capital improvement plans and associated costing, and calculations for the maximum impact fee collection rates

DETAILS / STAFF ANALYSIS

Freese and Nichols and City Staff are recommending that the CIAC make an affirmative recommendation to the City Council on the land use assumptions, capital improvement plan costing, and recommend maximum impact fee collection rates.

ATTACHMENTS

- Draft recommendation letter

RECOMMENDED ACTION

Adopt a motion that recommends approval to the City Council of the land use assumptions, capital improvement plan costing, and the maximum impact fee collection rates.



DRAFT

TO: Mayor and City Council
FROM: Craig Forsythe, Chairman, Capital Improvement Planning Advisory Committee (CIAC)
DATE: August 10, 2021
SUBJECT: Recommendation from the CIAC - Impact Fee Program Consideration

In accordance with Texas Local Government Code, the Portland Capital Improvement Advisory Committee (CIAC), which consists of members from the Planning and Zoning Commission, and a member from the city extra-territorial jurisdictional area, has been conducting meetings with City staff and the City’s consultants for the development of a potential impact fee program for roads, water, wastewater, and drainage systems in Portland, Texas. Over the course of study, the CIAC has received data regarding Land Use Assumptions (2021-2031), impact fee Capital Improvement Plans and associated costs for each infrastructure component, and the resultant cost per service unit calculations for determining impact fees.

After review and comment of the information, the CIAC recommends the following:

- Adoption of Land Use Assumptions that forecasts population and employment growth over the ten-year planning period 2021-2031,
- Adoption of impact fee Capital Improvements Plans for Roadway, Water, Wastewater and Drainage as presented in the Land Use Assumptions and Capital Improvements Plan submitted in July 2021, and approved through a Public Hearing with the City Council, and
- Concurrence with the technically derived resultant cost per service unit calculated for each of the infrastructure components.

The CIAC believes that implementation of impact fees would assist the city in the development and implementation of specific capital improvements over the long-term and that the City Council consider a collection rate up to the maximum allowable under law.

The following represents the calculated maximum collection rate for the potential impact fee program:

ROADWAY Service Area	Maximum Credited Cost (Per Service Unit)*
1	\$1,499.00
2	\$1,034.00
WATER	\$3,846.00
WASTEWATER	\$4,695.00
DRAINAGE	\$0.34

*Base service units by infrastructure type: Roadway-vehicle-mile, Water- 5/8” meter, Wastewater – 5/8” meter, and Drainage-per square foot of impervious surface.

The CIAC came to these conclusions after much deliberation and considered the cost of needed infrastructure to address continued growth of the city, cost impacts to Portland citizens if such a program were not implemented, and that a fair share cost should be borne by new development. (Even with an impact fee program, Portland citizens would be contributing at least 50% of the cost of future infrastructure. Should the City Council determine impact fees are an appropriate funding mechanism in Portland, the CIAC would recommend that the City Council approve the Land Use Assumptions Report, Capital Improvements Plan, and the Road, Water, Wastewater, and Drainage Impact Fee Program with a collection rate up to the maximum allowable.

Respectfully,

Craig Forsythe
Chair, Capital Improvement Advisory Committee

Portland Capital Improvement Committee Members

Craig Forsythe, Chair
John Rooney, Vice-Chair
Larry Baker, Jr.
Jerry Browning, Jr.
Leticia Kanmore
Warren Phipps
Brad Sarchet
Mark Wendland
