

AGENDA
**Capital Improvements Advisory
Committee Meeting**
108 W. Broadway St., Prosper, Texas
Town of Prosper Municipal Chambers
Tuesday, March 1, 2016, 6:00 p.m.

1. Call to Order / Roll Call
2. Consider and act upon the appointment of a Chair, Vice Chair, and Secretary of the Capital Improvements Advisory Committee.
3. Discuss matters related to impact fees, including, but not limited to, the Town's impact fee ordinance, the impact fee update process, capital improvements, historical and projected population, non-residential acreage, and the future land use plan.
4. Review and possibly act upon the proposed land use assumptions.
5. Review and discuss the impact fee update schedule.
6. Possibly direct Town Staff to schedule topic(s) for discussion at a future meeting.
7. Adjourn

Note: The order in which items are heard on the agenda is subject to change.

CERTIFICATION

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted on the inside window at the Town Hall of the Town of Prosper, Texas, a place convenient and readily accessible to the general public at all times, and said Notice was posted on February 26, 2016, at 5:00 p.m. and remained so posted at least 72 hours before said meeting was convened.

Robyn Battle, Town Secretary

Date Notice Removed

Pursuant to Section 551.071 of the Texas Government Code, the Capital Improvements Advisory Committee reserves the right to consult in closed session with its attorney and to receive legal advice regarding any item listed on this agenda.

NOTICE

Pursuant to Town of Prosper Ordinance No. 13-63, all speakers other than Town of Prosper staff are limited to three (3) minutes per person, per item, which may be extended for an additional two (2) minutes with approval of a majority vote of the Capital Improvements Advisory Committee.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS: The Prosper Capital Improvements Advisory Committee meetings are wheelchair accessible. For special services or assistance, please contact the Town Secretary's Office at (972) 569-1011 at least 48 hours prior to the meeting time.



PLANNING

To: Capital Improvements Advisory Committee

From: Alex Glushko, AICP, Senior Planner

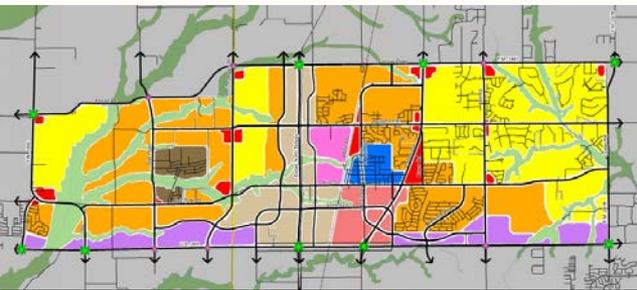
Through: Hulon T. Webb, Jr, P.E., Executive Director of Development and Community Services
John Webb, AICP, Director of Development Services

Re: Capital Improvements Advisory Committee - March 1, 2016

Thank you again for your service on the Capital Improvements Advisory Committee (CIAC). This is our kick-off meeting and the first of at least three (3) meetings. The primary purpose of this meeting is to:

1. Receive an overview of the basics of Impact Fees, Land Use Assumptions, Capital Improvement Plans and the process for formally updating the Impact Fee ordinance in accordance with state law;
2. Discuss and receive input on the projected growth of residential and non-residential development (land use assumptions) for the next five (5) years, ten (10) years and at buildout;
3. If acceptable to the Committee, recommend approval of the land use assumptions which will become part of the official report to the Town Council; and
4. Discuss and receive input on the schedule of meetings and actions required for adoption of the updated ordinance.

Please find attached a copy of the consultant's presentation for this meeting. We realize there is a substantial amount of information, so please do not hesitate in contacting us with any questions prior to the meeting. Any responses provided to a member will also be shared with the entire Committee.



Capital Improvements Advisory Committee (CIAC) Meeting No.1

IMPACT FEE OVERVIEW AND LAND USE ASSUMPTIONS

March 1, 2016

Agenda



- Overview of Impact Fee Basics and Process
- Discuss and receive input on growth rates for development of Land Use Assumptions
- Project Schedule



Role as CIAC Member



- To guide the conduct of the study
- Provide input:
 - Land Use Assumptions
 - Capital Improvements Plans (CIP) for Water, Wastewater and Roadway
- Recommend impact fee rate to Town Council
- CIAC Meetings
 - 3 scheduled meetings (March 1st, July 5th, September 6th)
 - Written recommendation to Council - October 4th
- Public Hearing
 - October 11, 2016
 - Ordinance adoption within 30 days





- What is an impact fee?

- A one-time charge assessed to new development for a portion of costs related to a specific capital improvement program.
- Impact fees are a mechanism for funding the infrastructure necessary to accommodate *new development*
 - Funding of certain new facilities or expansions
 - Recoupment of certain capital improvement costs
- Impact fees are limited to water, wastewater, roadways and drainage facilities
- For roads, impact fees are confined to Town limits



Principles and Purpose



- Growth in the form of new development should help pay its own way
- New development pays for a share of the Town's cost to provide off-site improvements that will serve developing property
- Allows cities to recoup a portion of cost of providing improvements
- Ensures that fees spent in area where development is located
- Provides a systematic, structured approach to assessment of fees
- “Growth paying for Growth”





Advantages

- Allowable by state law; alleviates burden of new facilities on existing tax payers.
- Allows recoupment of projects already constructed which contains oversized or excess capacity.
- Allows for implementation of key system improvements over piece-meal approach.
- Provides up front knowledge of the exact fee to be imposed.
- Fairly charges based on system impacts.
- Establishes rough proportionality.
- Allows for pooling of funds.
- Allows for developer credits.

Disadvantages

- Town may likely have to front the cost of improvements and collect fees as development occurs.
- Slower economic times means cost recovery may be slow and is dependent on new development.
- Fees can only be applied to IFCIP projects within Town limits.
- System update every five years.
- Administrative requirements may be burdensome to some cities.
- Increases the cost of development which can affect economic development strategies.



Who Pays for Growth ?

No Impact Fees:
Existing and future tax payers build all capital facilities.



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



Key Policy Issues



- What rate to charge, if less than the maximum to offset other Town objectives
- Credit the CIP 50% or conduct a credit analysis
- Contents of Capital Improvements Plan
- Application of Fee
 - Percent of maximum (i.e., 25% of max)
 - Across the Board fee (\$1,500 SF everywhere)
 - Residential vs. Non-Residential Uses
 - Incremental Increase over Time
- Exemptions
 - As defined by policy



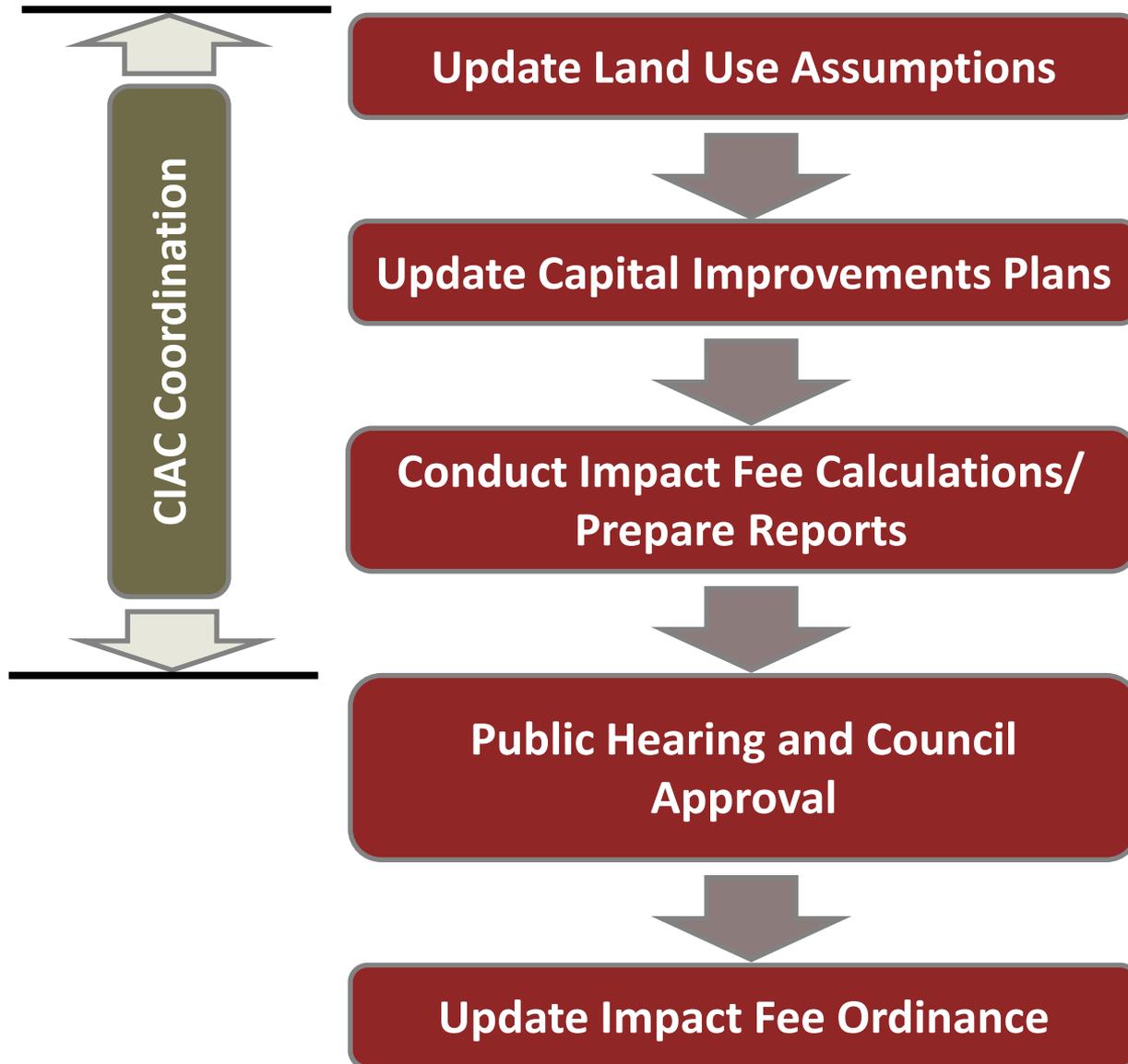
Items Payable with Impact Fees



- Components that can be paid for through an impact fee program:
 - ✓ Recently constructed improvements with excess capacity to accommodate growth
 - ✓ Construction cost of capital improvements on the CIP
 - ✓ Survey and Engineering fees
 - ✓ Land acquisition costs, including court awards
 - ✓ Debt Service of impact fee CIP
 - ✓ Study/Update Costs

- Components that **cannot** be paid for through an impact fee program:
 - ✗ Projects not included in the CIP
 - ✗ Repair, operation and maintenance of existing or new facilities
 - ✗ Upgrades to serve existing development
 - ✗ Administrative costs of operating the program
 - ✗ Non-CIP debt service

Impact Fee Process



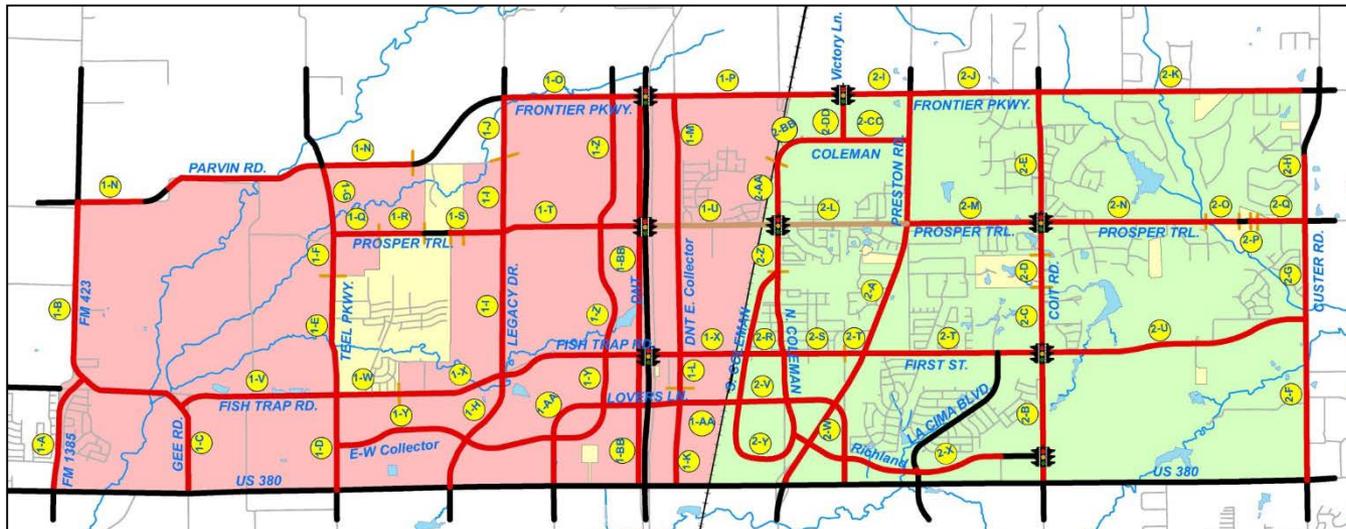


- 10-year growth projections for impact fees
- Based on trend/forecasted community growth
 - Residential Growth: Added population/dwelling units
 - Non-Residential Growth: Developed Acreage and Basic, Service, Retail Employment
- Population/Non-Residential growth used to derive loads
- Basis for CIP development

Update Capital Improvements Plans



- Projects eligible include Arterial or Collector roads on Thoroughfare Plan
- Assess for excess capacity
 - PM Peak Hour and Traffic volume counts
- 10-year VMT based on LUA
- Amend IFCIP, as appropriate
 - Considerations: Growth areas and projected activity
 - Large scale projects that add significant capacity
 - CIAC/Town Staff recommendation
 - Affordability and Achievability

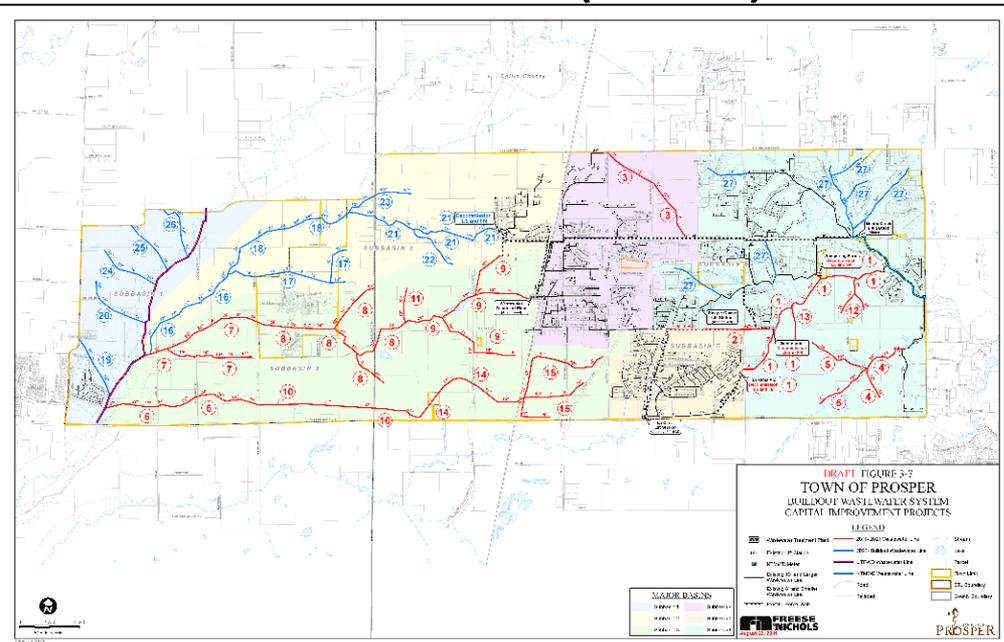


Update Capital Improvements Plans

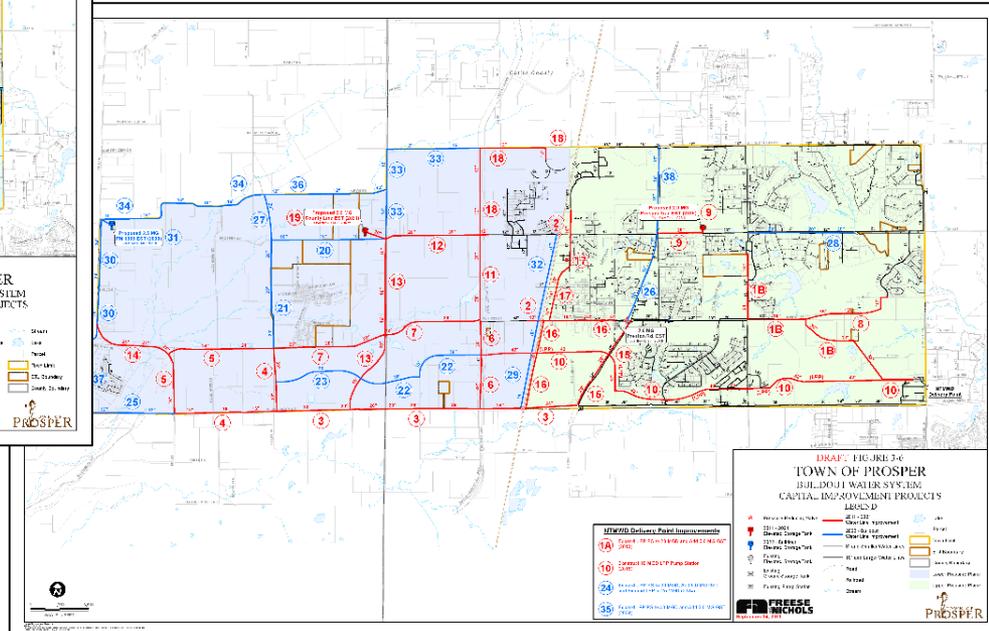


- Utilize water and wastewater hydraulic models to determine improvements needed to meet growth

Wastewater (2011)



Water (2011)



Service Units

Roadway: Vehicle-Mile



- Establishes a relationship between supply (roadway projects) and demand

- Vehicle-Mile during PM peak hour used as service unit

– Supply = Vehicle Capacity x Length

- Roadway Projects

Supply = 650 vehicles/hour/lane x 4 lanes x 2 miles

Supply = 5,200 vehicle-miles supplied in peak hour

– Demand = Trips Activity x Trip Length

- Roadway Projects: Existing Utilization

Demand = 793 vehicles x 1.12 miles

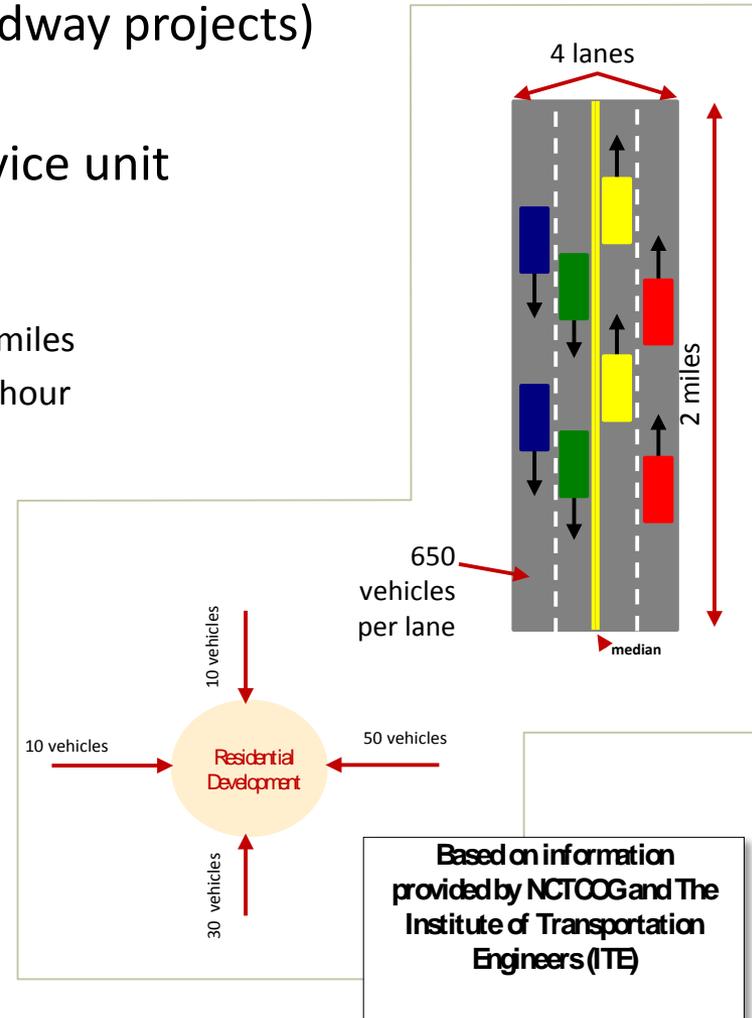
Demand = 888 vehicle-miles in peak hour

- New Development

Example: 100 unit residential development

Demand = 100 vehicles x 3 miles

Demand = 300 vehicle-miles in the peak hour



- Current demands determined from traffic counts collected at various locations throughout the Town by Town Staff

Service Unit Equivalency Table



- Ability to relate to intensity of proposed use
 - Roadways based on land use; tailored to vehicle-mile
- With \$/SU and scope of development, can determine impact fee
- Roadway:
 - Categorized by land use type
 - 5 major land use classes
 - Specific land uses within each class
 - Trip Generation
 - Institute of Transportation Engineers or local rates, if available
 - PM Peak Hour by typical development size (i.e., Residential = D.U.; Office, Retail, Industrial = 1000 GFA)
 - Adjusted for pass-by and diverted trips
 - Trip Length
 - Based on traffic modeling statistics and available data
 - Adjusted to account for travel on Town roads and half of trip

Table 4-11 Land Use / Vehicle-Mile Equivalency Table (LUVMET)

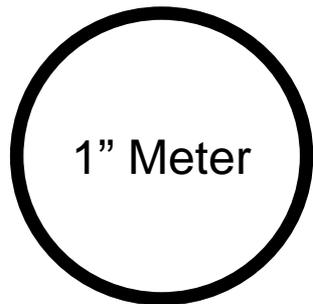
Land Use Category	FTE Land Use Code	Development Unit	Trip Gen Rate (PM)	Pass-by Rate	Pass-by Source	Trip Rate	NCTCOG Trip Length (mi)	Adj. For O-D	Adj. Trip Length (mi)	Max Trip Length (mi)	Vol-MI Per Dev-Unit
PORT AND TERMINAL											
Truck Terminal	020	Acres	6.55			6.55	10.02	50%	5.01	5.01	32.82
INDUSTRIAL											
General Light Industrial	110	1,000 SF GFA	0.97			0.97	10.02	50%	5.01	5.01	4.96
General Heavy Industrial	120	1,000 SF GFA	0.68			0.68	10.02	50%	5.01	5.01	3.41
Industrial Park	130	1,000 SF GFA	0.86			0.86	10.02	50%	5.01	5.01	4.31
Warehousing	150	1,000 SF GFA	0.32			0.32	10.83	50%	5.42	5.42	1.73
Mini Warehouse	151	1,000 SF GFA	0.26			0.26	10.83	50%	5.42	5.42	1.41
RESIDENTIAL											
Single-Family Detached Housing	210	Dwelling Unit	1.01			1.01	17.21	50%	8.61	6.00	6.06
Apartment/Multi-family	220	Dwelling Unit	0.62			0.62	17.21	50%	8.61	6.00	3.72
Residential Condominium/Townhome	230	Dwelling Unit	0.52			0.52	17.21	50%	8.61	6.00	3.12
Mobile Home Park / Manufactured Housing	240	Dwelling Unit	0.59			0.59	17.21	50%	8.61	6.00	3.54
Senior Adult Housing-Detached	251	Dwelling Unit	0.27			0.27	17.21	50%	8.61	6.00	1.62
Senior Adult Housing-Attached	252	Dwelling Unit	0.16			0.16	17.21	50%	8.61	6.00	0.96
Assisted Living	254	Bed	0.22			0.22	17.21	50%	8.61	6.00	1.32

Service Units

Water and Wastewater

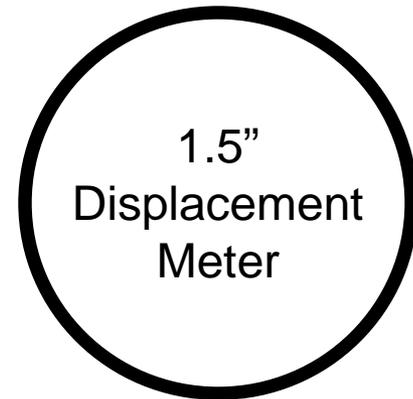


- 1" meter size is the standard service unit
- Same for water and wastewater service units
- Dependent on meter type
- Larger meters converted using equivalency table
 - Based on proportion of flow area to the standard service unit
 - SUE = Service Unit Equivalent



1" Meter

$$\text{SUE} = \frac{1.5'' \text{ Meter Area}}{1'' \text{ Meter Area}} = 2$$



1.5"
Displacement
Meter

Conduct Impact Fee Analysis



- IFCIP Projects:
 - Complete Projects
 - Projects under construction with excess capacity
 - Projects to meet growth needs
- Calculate cost of impact fee CIP
- Land use assumptions to determine growth in new service units
- Maximum allowable impact fee calculated by dividing eligible CIP/growth in service units

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

- Credit of 50% for the portion of ad-valorem taxes generated by CIP improvements
- Fee collected can be less than maximum; by service area

Current Impact Fees Per Service Unit



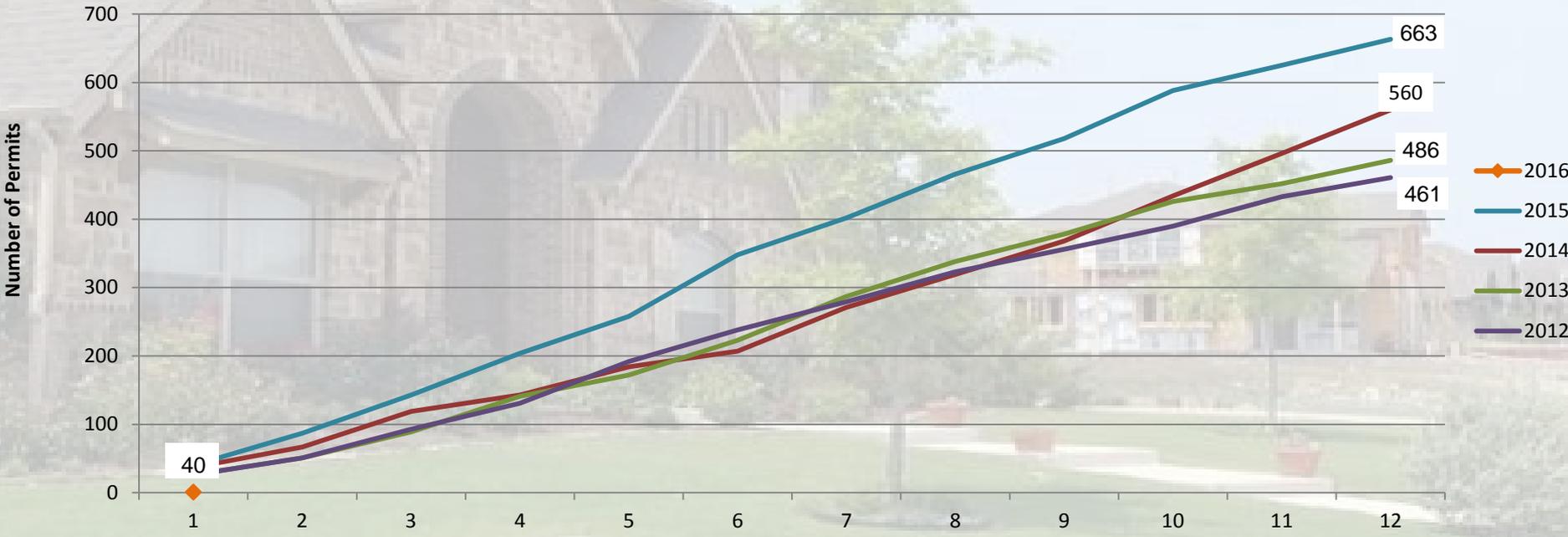
System	2011 Maximum Allowable	Current Rate
Water	\$3,900	\$3,900
Wastewater	\$683	\$683
Roadway	\$856 (West, SA1) \$615 (East, SA2)	Ranges from 50% of the maximum allowable to the maximum allowable depending on the type of development

Agenda



- Overview of Impact Fee Basics and Process
- Discuss and receive input on growth rates for development of Land Use Assumptions
- Impact Fee Schedule

Number of Single Family Residential Permits



Summary of Single Family Residential Permits Issued by Quarter 2012 – Present

	January	2 nd Quarter	3 rd Quarter	4 th Quarter	TOTAL
SF Residential Permits 2016	48				48
SF Residential Permits 2015	40	205	170	145	663
SF Residential Permits 2014	37	88	161	192	560
SF Residential Permits 2013	26	134	155	108	486
SF Residential Permits 2012	26	145	118	105	461

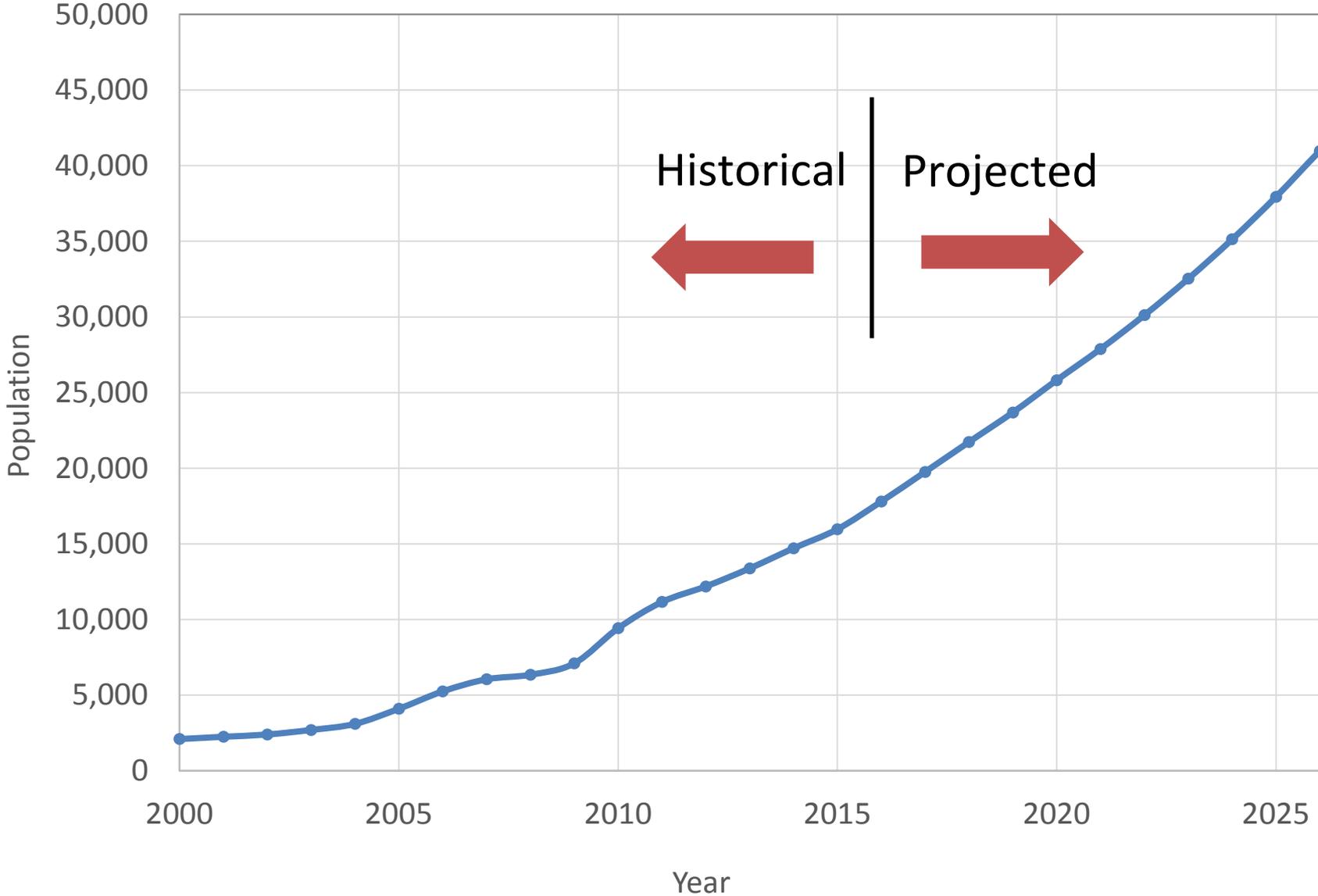
Historical Population



Year	Population*	Population Growth	Percentage of Growth
2000	2,100	-	-
2001	2,250	150	7.1%
2002	2,400	150	6.7%
2003	2,700	300	12.5%
2004	3,100	400	14.8%
2005	4,100	1,000	32.3%
2006	5,250	1,150	28.0%
2007	6,050	800	15.2%
2008	6,350	300	5.0%
2009	7,100	750	11.8%
2010	9,350	2,250	31.7%
2011	11,160	1,810	19.4%
2012	12,190	1,030	9.2%
2013	13,380	1,190	9.8%
2014	14,710	1,330	9.9%
2015	15,970	1,260	8.6%
Average		-	14.8%

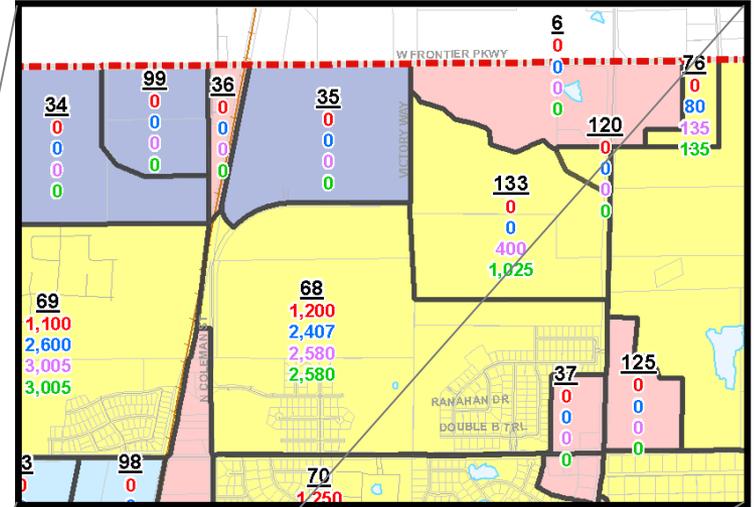
*Historical populations are based on Census and NCTCOG data.

Projected Population

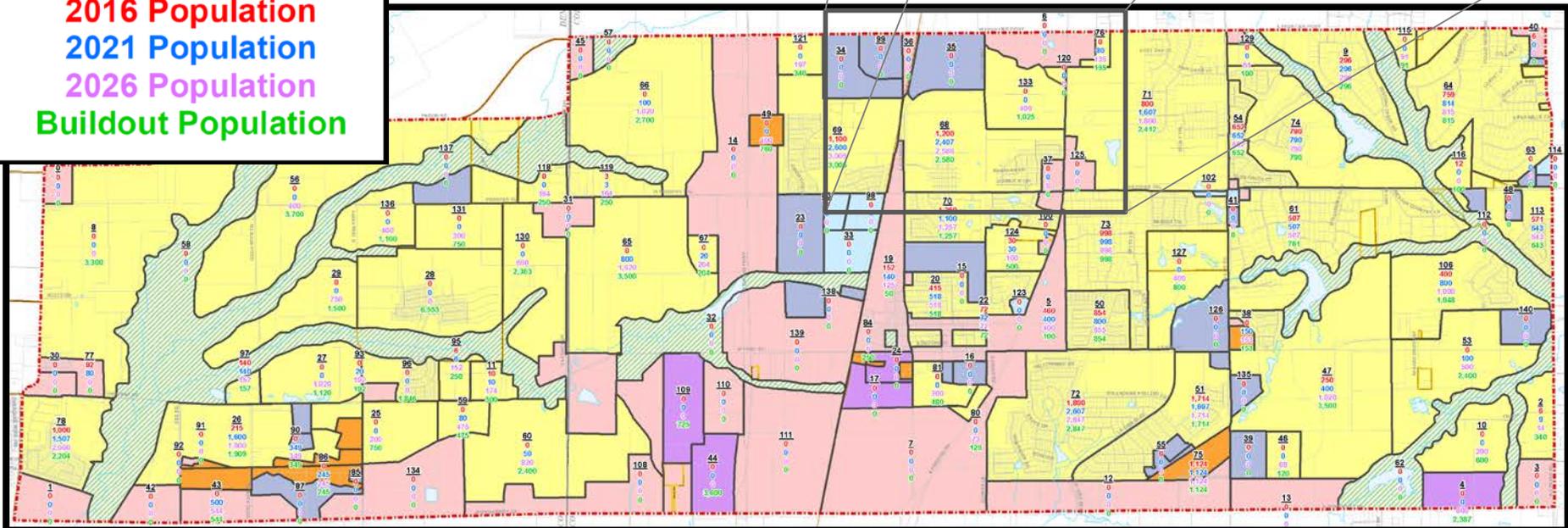


Population by Planning Area

Year	Total Population	Average Annual Population Growth	Average Annual Growth Rate
2016	17,800	-	-
2021	27,888	2,017	9%
2026	40,976	2,618	8%
Buildout	80,494	-	-



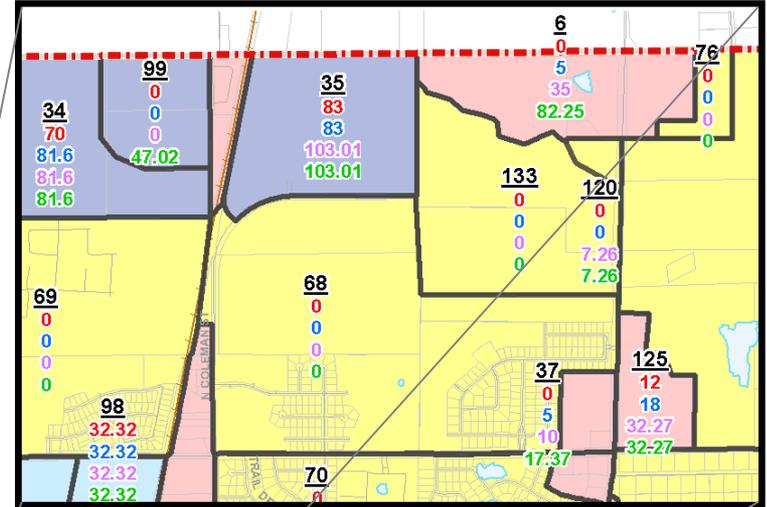
AREA ID
2016 Population
2021 Population
2026 Population
Buildout Population



Developed Non-Residential Acreage by Planning Area

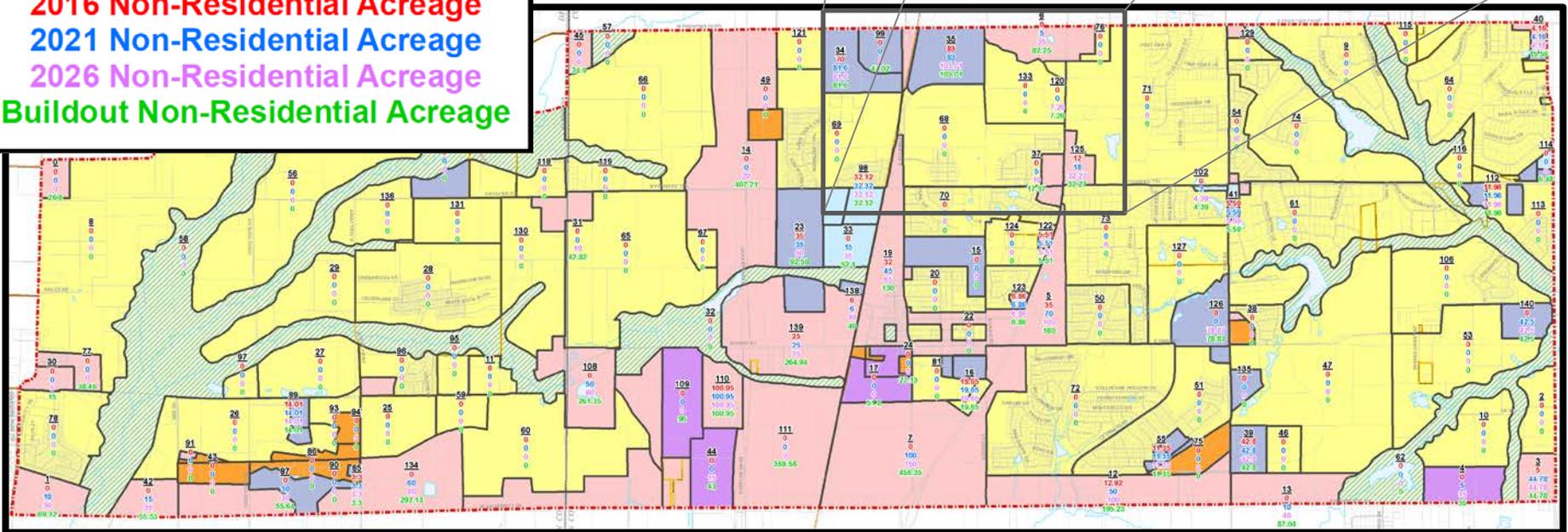


Year	Total Developed Acres	Average Annual Growth in Acres
2016	661	-
2021	1,167	101
2026	1,744	115
Buildout	4,382	-



AREA ID

- 2016 Non-Residential Acreage
- 2021 Non-Residential Acreage
- 2026 Non-Residential Acreage
- Buildout Non-Residential Acreage



Agenda



- Overview of Impact Fee Basics and Process
- Discuss and receive input on growth rates for development of Land Use Assumptions
- **Project Schedule**

Next Steps in Study Process



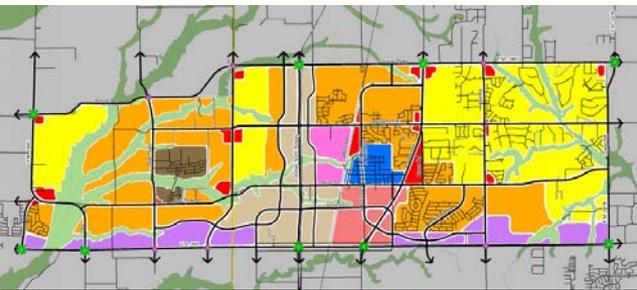
- Technical
 - Existing Conditions Analysis
 - Evaluate Service Area Structure
 - Update SUE
 - 10-Year Projections
 - Preliminary IFCIP
 - Cost per Service Unit Calculations
- Policy
 - Ordinance Considerations & Update
 - Coordinate with Town Attorney & Staff
- Administrative
 - Administrative Tools



Impact Fee Schedule



Description	Date	Action By
CIAC Meeting #1- Land Use Assumptions	3/1/2016	Town Staff, CIAC, FNI
Project Meeting with Town Staff to discuss W/WW/Roadway Projections, Model Validation, and Existing System Analysis	3/23/2016	Town Staff, FNI
Project Meeting with Town Staff to discuss CIPs	5/18/2016	Town Staff, FNI
Town Council Peaking Factor Analysis Presentation	6/14/2016	Town Staff, FNI
CIAC Meeting #2- Impact Fee CIPs	7/5/2016	Town Staff, CIAC, FNI
Submit Draft Impact Fee Report to Town for review	8/3/2016	FNI
Conference Call with Town Staff to discuss Draft Report	8/17/2016	Town Staff, FNI
Town Staff to submit Council consent agenda item to set Public Hearing date	8/19/2016	Town Staff
Town Staff to submit notice for CIAC Meeting #3	8/23/2016	Town Staff
Town Council to set date for Public Hearing (to be held on 10/25/2016)	8/30/2016	Council
CIAC Meeting #3 – Impact Fee Calculations	9/6/2016	Town Staff, CIAC, FNI
Impact Fee Report available to Public	9/7/2016	FNI
Advertise in newspaper for Public Hearing	9/7/2016	Town Staff
Town Staff to submit Council agenda item for Public hearing	9/30/2016	Town Staff
CIAC written comments due to Council	10/4/2016	CIAC
Public Hearing	10/11/2016	Town Staff, Council, FNI
Council Adoption of Impact Fees (must be within 30 days of public hearing)	10/25/2016	Town Staff, Council



TOWN OF
PROSPER

Roadway, Water, and Wastewater
Impact Fee Study Update