

Planning and Zoning: 5/6/13
City Council: 5/28/13
City Council: 9/24/13

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SUBJECT: To discuss and consider a recommendation to the City Council on the 5-year Capital Improvement Plan for FY 2014 - 2018

ANNUAL CIP PROCESS:

Per the City Charter and the Code of Ordinances, the Planning and Zoning Commission shall annually submit a 5-year Capital Improvement Plan to the City Council and City Manager, at least 120 days before the beginning of the budget year. The plan must list projects in order of preference with a recommendation for the year of construction for each project.

FUNDING SOURCES:

There are different funding mechanisms for capital improvement projects; two of which are Certificates of Obligation (CO) and General Obligation (GO) bonds. A Certificate of Obligation (CO) is a bond secured by property tax in which does not require voter approval. Unlike a CO, a General Obligation (GO) bond is required to be approved by the voters, and the debt service typically placed on top of the tax rate. Historically, the City has used Certificates of Obligation (CO's) to fund roadway, drainage, sidewalk and park projects while the debt service is absorbed through the tax rate. Utility projects are typically funded by the Utility Fund, capital recovery fees (impact fees from new development) and CO's. Utility CO's are funded through utility revenue guaranteed by the tax rate.

In past years, the City issued CO's for the construction of roadways. While the current roadway projects are being funded by past CO issuances, staff does not recommend this funding mechanism for future roadway CIP projects. The General Fund 5-year pro forma does not propose additional issuances of CO's for roadways for the next 5 years. The Utility Fund has multiple funding sources such as impact fees and CO's that can be used for utility purposes.

STREET PROJECTS:

Kelly Lane Phase 1A & Colorado Sand Drive:

In the current fiscal year, City Council allocated funding toward the construction of Kelly Lane Phase 1A (Murchison Ridge Trail to western-most intersection of Falcon Pointe Boulevard) and Colorado Sand Drive from past CO issuances. The City has completed the design of Colorado Sand Drive (related to Cornerstone at Kelly Lane Colorado Sand R-O-W Dedication Final Plat, case# FP 1303-04) as specified by the approved TIRZ project plan, and construction is anticipated to commence in May 2013 and be completed by November 2013. Kelly Lane is expected to go to bid in September 2013 with construction starting before the end of the year. Also, as referenced below in the utility CIP, a 24-inch water transmission main along Kelly Lane and a 16-inch water transmission main along Colorado Sand Drive will be constructed with related roadway projects.

Heatherwilde Boulevard Phase 1 & 2:

Also in the current fiscal year, funding was allocated for the remainder of the design and right-of-way acquisition for N. Heatherwilde Boulevard Phase 1 and 2. The design of Heatherwilde Phase 1 and 2, a four lane divided roadway, is 90% complete. In order for this project to proceed to construction, it would need to be funded by a GO bond. In 2011, a street overlay was completed on N. Heatherwilde Boulevard between SH 45 and Wilke Ridge Lane. This project was funded by the Streets Maintenance budget and by the General Capital Reserve.

Pfluger Farm Lane:

As a result of economic development agreements for Project Arista (Data Center Park) and the property owner (Terrell Timmermann), the City has agreed to construct Pfluger Farm Lane, a north-south collector roadway, from the intersection of Town Center Drive within Stone Hill Town Center to the southern-most property line of the proposed 40-acre data center site, approximately 1450 linear feet of roadway. Within 10 years, the remainder of Pfluger Farm Lane will ultimately be constructed south to intersect with W. Pflugerville Parkway. This roadway is intended to spur development on the Terrell Timmermann tracts of land south of Stone Hill Town Center. CO's were issued in February 2013 to fund the construction of this roadway whereby the PCDC has agreed to fund the debt service. Bids for Phase 1 of the project have been received and construction is expected to begin in May 2013.

POTENTIAL STREET PROJECTS FOR GENERAL BOND ELECTION:

The ability of the City to advance significant projects to construction is highly contingent on the development of a GO Bond program subject to a successful bond referendum. If this funding mechanism is pursued, City Council would create a citizen's bond advisory committee responsible for developing a list of recommended projects ultimately placed on the ballot. Some projects that should be considered are identified below.

The streets within Heatherwilde Section 1 Subdivision are in poor condition and are beyond the point of repair per standard repair practices. A total reconstruction of the streets within this section of Heatherwilde Subdivision would be required.

In order to support economic development within the SH 130 corridor and providing the necessary connections to the commercial centers, a safe and efficient arterial roadway system in the high growth areas is essential. The City may need to participate in the funding and construction of roadways partially within the City Limits and the ETJ. As development occurs in these areas, the public school system is required to expand with the construction of new schools to serve these areas, resulting in an increased impact on the existing rural two lane roadway network. In addition to single-family development, commercial development is expected to increase as accessibility to public infrastructure improves. In order to stay ahead of the development curve, it may be in City's best interest to invest in the arterial street network east of SH 130. Potential projects include the expansions to four lane divided roadway cross sections for E. Pflugerville Parkway east of SH 130 to Weiss Lane, Weiss Lane from Cele Road to Pecan Street, and E. Pecan Street east of SH 130 to Weiss Lane.

| Location | Project Description | Preliminary Cost Estimate | Project Status |
|---|---|---------------------------|----------------|
| City | Heatherwilde Blvd Phase 1&2 (SH 45 to Wilke Ridge Lane) | **\$8,300,000 | Designed |
| City | Kelly Lane Phase 1B – Expansion (Western-most intersection of Falcon Pointe Blvd to Moorlynch) | *\$4,650,000 | Designed |
| City | Heatherwilde Subdivision Section One Street Reconstruction (Between N. Heatherwilde, Cactus Blossom Drive and Black Locust Dr.) | **\$2,516,000 | N/A |
| City | E. Pflugerville Parkway (East of SH 130 to Weiss Lane) | **\$8,326,000 | N/A |
| City | E. Pflugerville Parkway expansion (SH 130 Underpass) | **\$1,469,000 | N/A |
| City | E. Pecan Street (East of SH 130 to Weiss Lane) | **\$4,369,176 | N/A |
| City/ETJ | Weiss Lane Improvements (Pecan Street to Cele Rd./Kelly Ln.) | **\$16,653,000 | N/A |
| Preliminary Total Cost Estimates | | \$46,283,176 | |

*Figures do not include the cost of R-O-W acquisition.

** Estimate includes soft costs

TRAVIS COUNTY STREET PROJECTS:

Based on the outcome of the Travis County 2011 Bond referendum, four roadway projects in the City’s ETJ have been approved for funding, including the following projects.

- Wells Branch Parkway (Immanuel Road to Cameron Road)
- Cameron Road (West of SH 130 from Howard Lane to SH 130)
- Rowe Lane (SH 130 to Martin Lane) – 2 lane reconstruction
- Weiss Lane (Pecan Street to Cele Road) – 2 lane reconstruction
- Weiss Lane Bridge Rehabilitation

Some of these listed projects are generally located within both jurisdictions: City of Pflugerville and Travis County. In a cost participation agreement with Travis County, the City has agreed to pay for all design costs up to one million dollars for both Rowe Lane and Weiss Lane. However, for these two projects to move forward to construction, the City will most likely be required to allocate its pro rata share of the total project costs. If cost-participation is not a possibility, it is plausible these projects will be removed from the list of eligible projects.

UTILITY PROJECTS:

The proposed 2014-2018 CIP for water, wastewater, and roadway infrastructure is highly dynamic with changing conditions as the City is still in negotiations with Windermere and Manville regarding utility service areas. Many of the water utility projects are contingent upon the final service area agreements with such entities.

Concurrently with the aforementioned negotiations, the City is in the process of completing the Water Master Plan. In order to address current development pressure and account for additional capacity at the Central WWTP with the future expansion, the City is updating the 2008 Wastewater Master Plan. Together, these policy documents will serve as a guide for the creation of the Utility Fund CIP by identifying project needs and estimated costs. On a related note, the City is in the process of reviewing the City's impact fees. Once the Water and Wastewater Master Plans have been approved, the City will then be able to complete the impact fee study already initiated.

Utility projects are typically funded by revenue from existing utility customers, impact fees associated with new development, and bonds. The tables provided below list the water and wastewater utility project needs, purpose, preliminary cost estimates, and proposed dates of design and construction.

WATER: The water utility projects are listed in four categories.

- 1) Windermere Service Area Projects in the 950 Pressure Plane: These projects shall support the overall utility system needs for much of Pflugerville west of SH 130 by providing additional elevated water storage and necessary water transmission lines. If the City were to pursue purchase or lease options of the Windermere CCN, this group of projects will be required for the City to be the sole water service provider. Currently, the City provides a small amount of wholesale water to Southwest Water Company which holds the Windermere Certificate of Convenience and Necessity (CCN) and serves the western portion Pflugerville. These projects are essential for the City's water utility system.
- 2) North Travis County MUD 5 (NTC MUD5) Service Area Projects: These projects support the distribution of water and the preservation of a 950 pressure plane as proposed in the water model of the Water Master Plan.
- 3) Storage: The proposed improvements to the South Stand Pipe and the proposed Elevated Storage Tank and the associated transmission mains along Pflugerville Parkway and Wilke Ridge Lane to the tank site are required to create and preserve the proposed pressure plane system modeled in the Water Master Plan and to meet State mandated elevated storage requirements for future growth.
- 4) Misc System Improvements: Please refer to the table on page 5 for more information.

Pflugerville
Planning and Zoning
Commission

AGENDA REPORT

The table provided below lists the staff recommended water utility projects for the 5-year CIP and the proposed timeframe for design and construction.

| Project Name | Project Purpose | Total Cost Estimate | Design/Construct |
|---|--|---------------------|------------------|
| Windermere Service Area Projects (950 Pressure Plane) | | | |
| Pfennig Ground Storage Tank and Yard Piping Upgrades | Storage, supports the Elevated Storage Tank project, supports service to NTC MUD | \$1,125,000 | 2013/ 2014 |
| Pfennig Pump Station Upgrades (2 Pumps) | Storage, supports the Elevated Storage Tank project, supports service to NTC MUD | \$675,000 | 2013/ 2014 |
| Pfennig 16" Transmission Main Connection {Swenson Farms to Gazania} | Transmission | \$147,400 | 2013/ 2014 |
| Pflugerville PKWY 16" Transmission Main Connection {Heatherwilde to Picadilly} | Transmission | \$505,800 | 2013/ 2014 |
| Black Locust to Wilke Ridge Lane 16" Transmission Main | Transmission | \$763,400 | 2013/ 2014 |
| Pflugerville PKWY 16" Transmission Main {Wilke Lane to Heatherwilde Blvd} | Transmission, supports the Elevated Storage Tank project | \$451,200 | 2013/ 2014 |
| Total | | \$3,667,800 | |
| North Travis County MUD (NTC MUD) Service Area Projects (950 Pressure Plane) | | | |
| Pflugerville PKWY 16" Transmission Main {West Meter to Great Basin to Mammoth Cave Drive} | Transmission, supports the Elevated Storage Tank project | \$135,360 | 2013/ 2014 |
| Heatherwilde 24" Transmission Main Extension from Wilke Ridge Lane to Great Basin Ave. | Transmission, Interconnection Looping | \$180,000 | 2013/ 2014 |
| Heatherwilde 24" Transmission Main {Kingston Lacy to New Meister Lane} | Transmission | \$303,557 | 2013/ 2014 |
| Wilke Ridge Lane 24" Transmission Main {W. Pflugerville Parkway to N. Cascades Ave.} | Transmission | \$128,000 | 2013/ 2014 |
| 8" Transmission Main connection at Pflugerville Parkway and Heatherwilde Blvd | Transmission | \$50,000 | 2013/ 2014 |
| 12" Transmission Main connection along Regis Drive | Transmission | \$70,000 | 2013/ 2014 |

Pflugerville
Planning and Zoning
Commission
AGENDA REPORT

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|---|---|---------------------|------------|
| from Pflugerville Parkway to Dansworth Drive. | | | |
| 8" Transmission Main connection along New Meister Lane from MKT ROW to Timothy John Drive. | Transmission, Interconnection Looping | \$140,000 | 2013/ 2014 |
| | Total | \$1,006,917 | |
| Storage | | | |
| Elevated Storage Tank for 950 Pressure Plane | Elevated Storage {To serve west of SH 130} | \$6,750,000 | 2013/ 2014 |
| South Stand Pipe Re-pump Station | Elevated Storage | \$1,115,400 | 2013/ 2014 |
| Heatherwilde Blvd. 24" Transmission Main from N. Cascades Ave. to Kingston Lacy. | Transmission | \$1,748,700 | 2013/ 2014 |
| | Total | \$9,614,100 | |
| Misc. System Improvements | | | |
| Colorado Sand Transmission Main {TIRZ project to be constructed with roadway} | Transmission {Required per approved TIRZ} | \$233,500 | 2013 |
| Downtown Pressure Zone Re-delineation – Pressure Relief Valves (PRVs) and Check Valve | Pressure, Flow | \$132,520 | 2013 |
| Kelly Lane Transmission Main {SH 130 to Western-most intersection of Falcon Pointe Blvd} to be constructed with roadway | Transmission | \$750,000 | 2013 |
| Pfennig Lane 12" Transmission Main {Rocky Creek Rd. to F.M. 685} | Transmission | \$468,800 | 2013/2014 |
| Pfennig Lane 16" Transmission Main {Rocky Creek Rd. to Railroad Ave.} | Transmission Upgrade | \$212,500 | 2013/2014 |
| Water Treatment Plant Membrane Replacement | Capacity, Operations & Maintenance | \$4,770,000 | 2014 |
| Weiss Transmission Main {WTP to Sorento Development} | Transmission | \$1,712,000 | 2014/ 2015 |
| Pflugerville PKWY Transmission Main Extension and Connection to Pfennig Booster Pump Station | Transmission, supports the Elevated Storage Tank project, supports service to NTC MUD | \$871,900 | 2013/ 2014 |
| | Total | \$9,151,220 | |
| | {WATER} TOTAL 5-YR CIP | \$23,440,037 | |

WASTEWATER

By completing the expansion the Central WWTP to 6.9 million gallons per day (MGD) by fiscal year 2017 and again in 2023 to 9 MGD, the construction of another regional wastewater treatment facility to serve the Wilbarger and the Cottonwood watershed basins can now be deferred well beyond the 5-year utility CIP to approximately the year 2034. The final design and construction of another regional wastewater treatment facility up to 25 MGD east of SH 130 and corresponding wastewater interceptor lines may be deferred until such time the City reaches 75% capacity at the Central WWTP. Please refer to the table below for the recommended wastewater utility projects and the proposed years of design and construction. Many of these are preliminary in nature, subject to the development of a revised Wastewater Master Plan to be completed within the next couple of months.

| Project Name | Project Purpose | Total Cost Estimate | Design/ Construct |
|--|---|---------------------|----------------------|
| Rowe Loop Wastewater Service Extension | Service, Line Capacity, Operations & Maintenance | *\$850,000 | 2013/ 2014 |
| Central WWTP Expansion {6.9 MGD} | Capacity | *\$8,265,000 | 2014/ 2016 |
| Sorento/ Carmel Lift Station and Force Main | Collection/Transmission {City required to design and construct per development agreement} | \$3,494,500 | 2013/ 2014 |
| Sorento 36" Wastewater Interceptor Line | Collection, Transmission | \$1,553,760 | 2014 |
| Lakeside 18" Wastewater Interceptor Line Phase 1 | Collection, Transmission | \$887,522 | 2016 |
| SH 45/ SH 130 Tunnel | Expand Service Area | \$803,800 | 2016 |
| 3-YR Impact Fee and CIP Update | Strategic Planning | \$256,000 | 2016 |
| New Sweden 0.475 MGD Package Plant | Treatment | \$2,200,000 | 2017 |
| Wastewater Master Plan Update | Strategic Planning | \$230,000 | 2018 |
| {WASTEWATER} TOTAL | | \$18,540,582 | |

*Design funded in fiscal year 2012.

UTILITY 5-YR CIP SUMMARY:

The proposed water and wastewater utility projects referenced in the proposed 5-YR CIP total approximately \$42 million dollars. It is important to note that the construction of the utility projects will require additional funding aside from Utility Fund Balance and capital recovery fees. The City will need to issue bonds for the construction of these projects.

STAFF RECOMMENDATION:

Staff recommends that the City pursue the funded street projects through construction for Colorado Sand Drive (TIRZ), Kelly Lane Phase 1A (TIRZ), and Pfluger Farm Lane which were all funded through previous CO issuances. While the City may pursue these roadway projects, the construction of any additional City or Travis County roadway projects will remain on-hold until additional funding

AGENDA REPORT

becomes available to complete them. Thus, staff recommends that the development of a bond program be evaluated for the listed unfunded roadway projects referenced on page 3 that are currently under design or potential projects. Also, staff recommends the 5-YR Utility CIP as provided in the tables above.

Please note, these recommendations are based on evaluated needs and do not reflect a fiscally constrained Capital Improvement Plan; rather they fulfill the requirement that the Commission provide a project list in order of preference with a recommendation for year of construction.

ATTACHMENTS:

- Project Locator Maps For Roadway Projects
- Project Locator Maps For Utility Projects
- (Additional graphics will be provided in the presentation)