

## STATEMENT OF QUALIFICATIONS



CITY OF PFLUGERVILLE  
PFLUGERVILLE, TEXAS

## IMPACT FEE ANALYSIS

November 8, 2011



**Lockwood, Andrews  
& Newnam, Inc.**  
A LEO A DALY COMPANY



November 8, 2011

Mr. Trey Fletcher, AICP  
City of Pflugerville  
100 E. Main Street, Suite 200  
Pflugerville, Texas 78691-0589

**RE: Statement of Qualifications - Impact Fee Analysis**

Dear Mr. Fletcher:

Attached is a brief Statement of Qualifications (SOQ) of LAN's impact fee determination experience. As we have discussed, developing an impact fee for Pflugerville's water distribution system as an addition to our current water master planning and distribution system modeling project will bring the City great value. Additionally, the schedule for developing the impact fees separately will be reduced since both projects require the development of a master plan and costs for the future water system.

As you will see in the attached SOQ, LAN has performed impact fee determination studies for many clients of similar size and growth as Pflugerville. These projects bring our team members significant experience in working through the requirements of developing the fees and supporting the City through the public process to adopt the impact fees.

Thank you for the opportunity to provide you with LAN's experience to support this project. Should you have any questions or require additional information, please call me at 512.338.4212.

Sincerely,

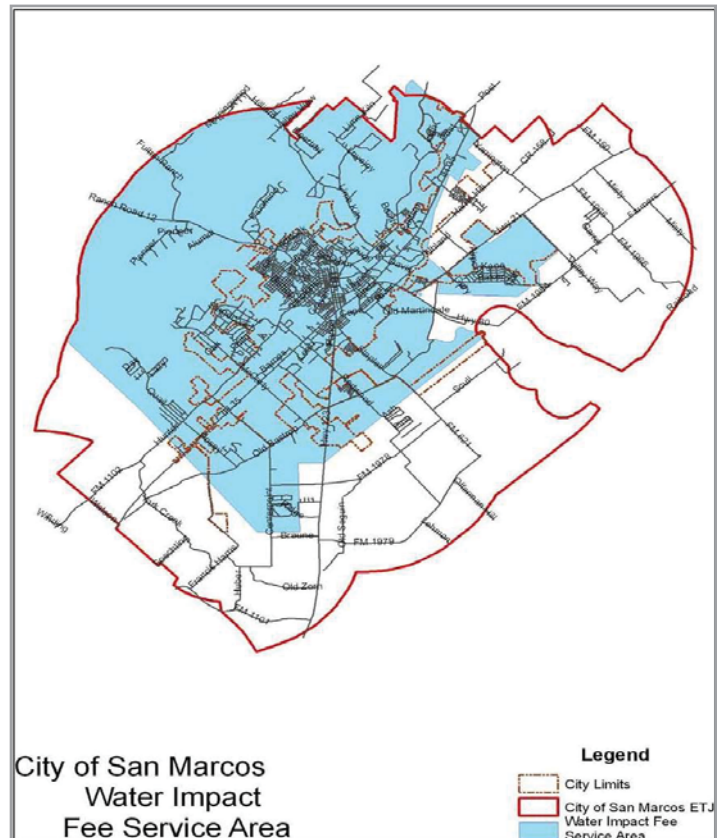
Brian D. Rice, PE  
Project Manager

**CITY OF SAN MARCOS**  
Impact Fee Study

The City of San Marcos contracted with LAN to provide an update to the City’s water and wastewater impact fees. LAN provided the engineering report supporting the imposition of the impact fees and hired a planning firm as a subconsultant to prepare the Land Use Assumptions report which essentially determines the anticipated growth in the water and wastewater service areas in the next 10-year period.

The Land Use Assumptions report reviewed neighboring cities and CCN holders to determine the maximum future service area the City could reasonably expect to serve. The report also relied on several different data sources to project anticipated growth in the region including historical city growth rates and residential building permit rates, among others. A review of the existing land uses and projected future land uses (including redevelopment) were analyzed to determine the anticipated 10-year growth.

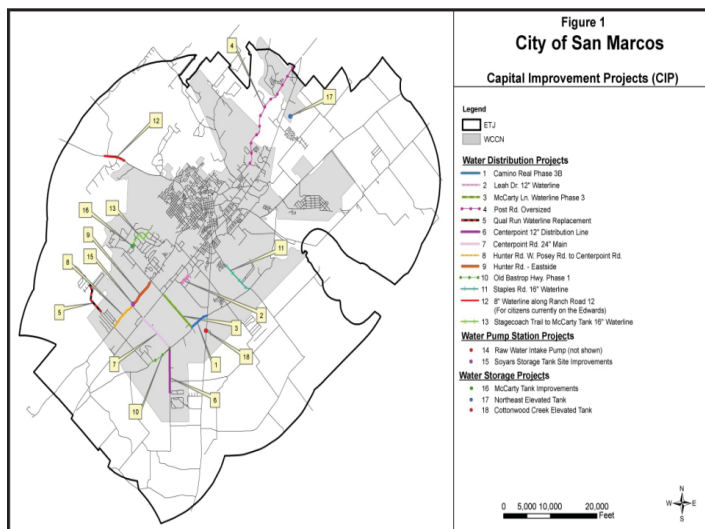
The City maintains a Capital Improvements Plan (CIP) for water and wastewater projects; therefore, LAN’s engineering effort was focused on determining the capacity of the projects that would serve new growth in the next 10 years. Accurately determining the percentage for each project required close coordination with the City’s engineering and public works staff. LAN’s engineering report summarized the projects intended to serve future growth, the costs of the projects (including engineering, right-of-way, and



interest/finance charges), and the maximum statutory rate the City could charge. LAN also provided the impact fees of surrounding communities for a basis of comparison.

In order to adopt the impact fees, the Land Use Assumptions and Engineering Report must first be vetted through a public hearing process. LAN is currently assisting the City through the process which includes:

- Formation of the Capital Improvements Advisory Committee (CIAC)
- Publication and establishment of public hearing dates
- Meeting with the CIAC to receive comments on the reports
- City Council public hearing on the reports
- City Council adoption of resolutions approving the reports and imposing the impact fees



The City has not yet adopted new fees. This is anticipated to occur in the Spring of 2012.

## CITY OF SUGAR LAND

### *Water System Planning & Impact Fee Determination*

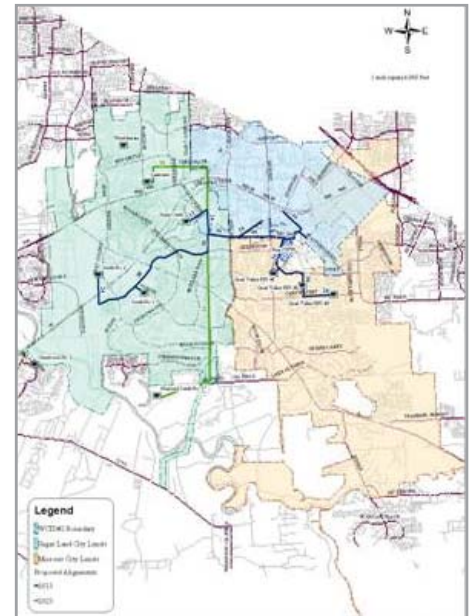
LAN has provided master planning, system modeling, and engineering services for the City of Sugar Land's water distribution system since 1995. These projects include evaluation of existing facilities and future capital project identification to meet the anticipated water demand growth. The future demand projections included all areas within the City's extra territorial jurisdiction (ETJ).

The City also contracted LAN to perform a Determination of Impact Fee study for the City's water treatment, distribution, and storage systems. This determination was performed in accordance with Chapter 395 of the Texas Local Government Code, and is utilized by the City to allocate fees to developments. These fees are based on the costs applicable to providing services on an equivalent single family connection (ESFC) basis and applied to all commercial, multi-family, retail, and industrial water demands.

A key aspect of the planning process is LAN's development of the system's hydraulic model. This model's projected peak-day water demand was used to evaluate potential improvements needed to maintain the quality of the system and compliance with TCEQ requirements. Information from the analysis was used to develop a Capital Improvement Plan (CIP) to satisfy peak demands for 5-, 10-year, and ultimate development conditions. The 5- and 10-year conditions were used to develop an itemized CIP that would serve new development and growth.



The total cost for the 10-year water system projects including engineering, right-of-way, construction, and finance charges was determined and used as the basis for the impact fee study. LAN worked with the City to define the appropriate allocations of these CIP project costs to be included in the water system impact fees to support the construction and development of the utility system while maintaining service for the new developments.



LAN's team used Geographic Information Systems (GIS) to subdivide the City into 618 Planning Areas that generally corresponded to subdivision sections in developing areas and geographical features in undeveloped areas. The water demand was based on projected equivalent connections and historic water usage. Analysis of the total water pumped and billed identified the average water usage was 415 and 475 gallons per connection in the North and South systems, respectively. The existing water facilities studied included the water distribution network, five groundwater production, storage, and pump stations, and five elevated storage tanks.

The City of Sugar Land continues to depend on LAN's planning, modeling, and impact fee development services to plan for capital improvement needs throughout the City and region. LAN's experience with the City's system and developing master plans and impact fees for cities and agencies throughout the region and state continues to bring significant value to Sugar Land.

## CITY OF BUDA Impact Fee Study

The City of Buda contracted with LAN to provide an update to the City's water and wastewater impact fees. Chapter 395 of the Texas Local Government Code prescribes the process by which cities in Texas must formulate development impact fees and the requirement to update the fees at least every five years. The City last updated their fees in 2003 and since experienced tremendous growth which made the previous information outdated. Impact fee studies require the following components:

- Future Land Use Assumptions (i.e. growth projections)
- New infrastructure projects required to serve growth
- Existing excess capacity that can be used for growth

The City did not have a current Capital Improvements Plan (CIP) for their water and wastewater systems, so LAN began by providing one. Concurrently with the development of the CIP, the City hired a planner to


City of Buda, Texas Capital Improvements Program Garlic Creek Force Main											
Budget	\$1,683,200										
Funding Source(s)	Impact Fees										
Department	Wastewater										
Project Basis	New Growth										
Location	City Limits										
Project Manager											
<b>Description:</b>											
The second phase of improvements on the Garlic Creek Lift Station will consist of replacing the 10-inch force main with a new 18-inch force main. The design of the new force main will provide enough capacity for 5521 LUEs, which is the ultimate build out, at peak weather flow.											
<b>Project Schedule:</b>											
Design commenced in the Spring of 2011. Design is currently anticipated to be complete at the end of 2011 and will be constructed by the Public Works Department beginning in 2012.											
<b>Notes:</b>											
The image included on this page shows the location of the existing force main.											
											
<b>Project Costs</b>	YR 07/08	YR 08/09	YR 09/10	YR 10/11	YR 11/12	YR 12/13	YR 13/14	YR 14/15	YR 15/16	YR 16/17	TOTAL
ROW/Easements				\$ 850,000							\$ 850,000
Design				\$ 100,285							\$ 100,285
Construction (+10%)					\$ 732,915						\$ 732,915
Other											\$ -
<b>Total Project Cost</b>	\$ -	\$ -	\$ -	\$ 950,285	\$ 732,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,683,200
<b>Funding Sources</b>	YR 07/08	YR 08/09	YR 09/10	YR 10/11	YR 11/12	YR 12/13	YR 13/14	YR 14/15	YR 15/16	YR 16/17	TOTAL
Impact Fees				\$ 950,285	\$ 732,915						\$ 1,683,200
Revenue Bonds											\$ -
CO Bonds											\$ -
GO Bonds											\$ -
Fund Balance											\$ -
Interest											\$ -
<b>Total Project Funding</b>	\$ -	\$ -	\$ -	\$ 950,285	\$ 732,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,683,200
<b>Surplus / (Deficit)</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



TABLE 7: Wastewater Project Analysis

Project Type	City of Buda Wastewater Projects	Cost (2010-14)	Cost (2015-19)	Total Cost for Construction	Total Cost plus Bond Interest*	(%) Credited to New Growth	Impact Fee Total
Collection	12" FM 967 Interceptor	\$0	\$2,380,600	\$2,380,600	\$5,472,776	5%	\$273,639
Treatment	Upgrade WWTP to 1.5-MGD Capacity	\$3,565,000	\$0	\$3,565,000	\$8,195,601	90%	\$7,376,041
Collection	15" Bradfield-Lifshutz Upgrade (Phase I)	\$1,115,200	\$0	\$1,115,200	\$2,563,740	10%	\$256,374
Collection	12" South Buda Interceptor (Phase II)	\$1,096,500	\$0	\$1,096,500	\$2,520,751	10%	\$252,075
Collection	Oxbow Subdivision WW Service	\$1,478,800	\$0	\$1,478,800	\$3,399,623	10%	\$339,962
Collection	Garlic Creek Force Main (Phase II)	\$1,683,200	\$0	\$1,683,200	\$3,869,519	10%	\$386,952
Lift Station	Garlic Creek Force Main (Phase III)	\$1,355,900	\$0	\$1,355,900	\$3,117,087	10%	\$311,709
<b>Wastewater Project Totals</b>		<b>\$10,294,600</b>	<b>\$2,380,600</b>	<b>\$12,675,200</b>	<b>\$29,139,097</b>		<b>\$9,196,752</b>

\*Bond interest rate of 4.25% with a 20-year period was used.

prepare the Land Use Assumptions report. After the CIP was updated, LAN prepared an Engineering Report that summarized the projects intended to serve future growth, the costs of the projects (including engineering, right-of-way, and interest/finance charges), and the maximum statutory rate the City could charge. LAN also provided the impact fees surrounding communities are using for a basis of comparison.

In order to adopt the impact fees, LAN worked with the City to vet the proposed fees through a public hearing process. LAN and the third-party planner helped guide the City through the process which includes:

- Formation of the Capital Improvements Advisory Committee (CIAC)
- Publication and establishment of public hearing dates
- Meeting with the CIAC to receive comments on the reports
- City Council public hearing on the reports
- City Council adoption of resolutions approving the reports and imposing the impact fees

The City adopted the updated water and wastewater impact fees in September 2010.

## CITY OF TOMBALL

### *Infrastructure Master Plan & Impact Fee Determination*

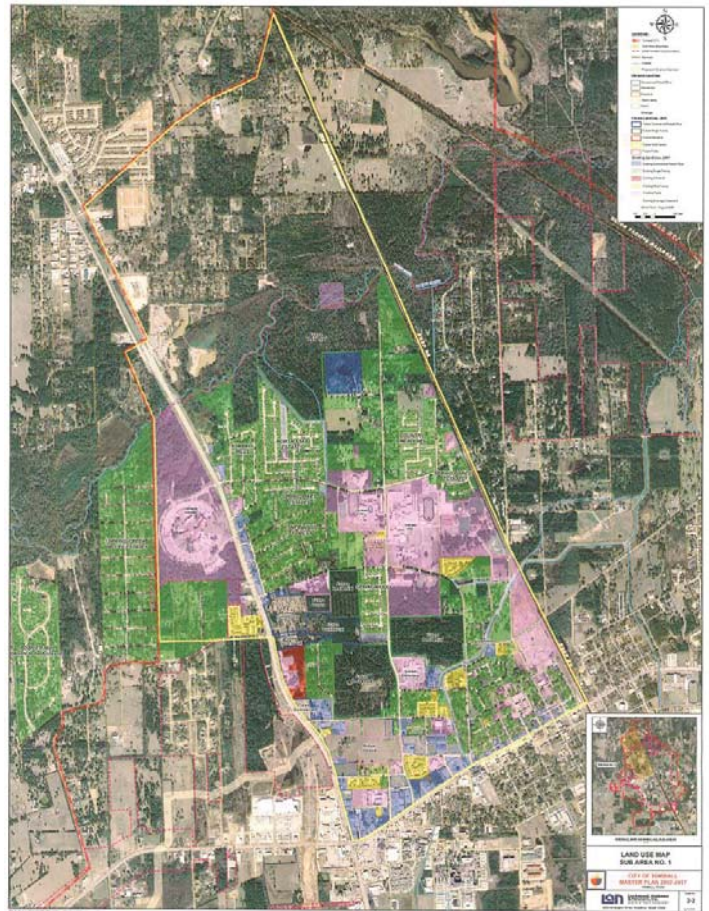
The City of Tomball frequently updates their master plan as the City continues to grow in an effort to meet the needs of their citizens and the community with new developments and redevelopments. While preparing their most recent master plan, LAN performed an impact fee determination study which will support the City in their allocation of fees to developments as the City continues their significant growth.

The plan and study projected developments for the City limits and ETJ, approximately 21 square miles. LAN's team developed land use projections and master planning for the 10-year and ultimate build out. Once projections and planning were complete, the costs and impact fees related to those infrastructure improvements were developed.

The master planning and development of impact fees were prepared for the City's water, wastewater, and drainage projects. In addition, master planning was also completed for their transportation and park systems. The water system consists of water supply, storage and pumping facilities, water treatment plants, elevated storage tanks, and an extensive distribution system. LAN's study included an evaluation of the historical water use, comparison of the existing system to TCEQ criteria, and the system's proposed improvements.

The City's wastewater collection and treatment system planning and impact fee determination study was developed for the system's gravity services, force mains, lift stations, and wastewater treatment plants. Planning efforts revealed the need for doubling the size of the City's two wastewater treatment plants in addition to significant collection system extensions and expansions.

Drainage systems for the City were also assessed and planned under this project. LAN's drainage team compared existing creeks' abilities to receive additional flow and determined the need for extensive detention systems to prevent adverse conditions downstream. More than \$57 million in channel improvements and detention facilities were defined and evaluated in the impact fee study.



Once the planning and the cost estimates for these infrastructure improvements were completed for the 10-year and ultimate build out, LAN worked with the City to develop a 10-year CIP and calculated the impact fees based on a cost per Living Unit Equivalent (LUE) for water and wastewater improvements and a cost per acre for drainage improvements. The City staff and LAN worked closely with City management and council to gain understanding and approval of the impact fees.