

MEMORANDUM

TO: Claire Powell, City Manager

VIA: Aaron Russell, P.E., Director of Public Services

FROM: Roshan Chaudhary, Capital Improvements Project Manager

DATE: December 2, 2024

SUBJECT: **Delivery of the Capital Improvements Advisory Committee Semi-Annual Report for the Period of April 1, 2024 – September 30, 2024.**

BACKGROUND

The Capital Improvements Advisory Committee (CIAC) is responsible for reviewing the water and sewer impact fees assessed by the City of Lewisville for new development to verify compliance with Texas Local Government Code, Chapter 395. This is accomplished through Semi-Annual Reports submitted to the CIAC. The Planning and Zoning Commission members also serve as the CIAC members and the CIAC meetings are conducted immediately following the P&Z meeting.

ANALYSIS

The CIAC met on November 5, 2024. The Semi-Annual Report for the period of April 1, 2024–September 30, 2024, was presented to the committee for review and recommendation of forwarding to the City Council.

During the presentation, staff reviewed the purpose of the report, background, capital improvements project cost estimations, fee determinations, fees recovered during the 6-month period, and new construction starts. With the completion of the Land Use Assumptions Analysis Update in late 2023, subsequent updates for the Wastewater Collection System Master Plan and Impact Fee Study are to follow and are currently in progress.

The CIAC recommended by a 7-0 vote that the report be forwarded to the City Council.

SEMI-ANNUAL REPORT
to the
CAPITAL IMPROVEMENTS ADVISORY COMMITTEE
for
THE CITY OF LEWISVILLE, TEXAS
APRIL 1, 2024 - SEPTEMBER 30, 2024

CIAC MEMBERS:

- ◆ **KAREN LOCKE**
- ◆ **JACK TIDWELL**
- ◆ **FRANCISCA AL-WAELY**
- ◆ **ERUM ALI**
- ◆ **RICK LEWELLEN**
- ◆ **JOSHUA PETERSON**
- ◆ **AINSLEY STELLING**

SEMI-ANNUAL REPORT OF THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE

The April 1, 2024 - September 30, 2024 Report to the Capital Improvements Advisory Committee (CIAC) for the City of Lewisville, Texas, has been prepared in accordance with the Texas Local Government Code, Chapter 395. This report will evaluate the progress of the existing program.

♦ Purpose of the Report

As required in Subsection 395.058 (c) of the Texas Local Government Code, the Capital Improvements Advisory Committee is charged with the following functions:

- Advise and assist the City in adopting land use assumptions;
- Periodic review of the impact fee/capital improvement plans;
- Monitor and evaluate the implementation of the Capital Improvement Plan;
- Prepare Semi-Annual Reports evaluating the progress of the Capital Improvements Plan and impact fees; and
- Advise the City of the need to update or revise the Land Use Assumption Plan, the Capital Improvements Plan, and the impact fees.

♦ Background

In 1986, the City of Lewisville adopted the Capital Recovery Fee Program. In 1987, the Texas Legislature adopted Senate Bill 336, which established the necessary legislation to expand the impact fee requirements for Texas cities.

In 1988, the Impact Fee Program was modified to comply with the recently adopted Senate Bill 336. The study and the revised program were approved by the City Council on January 22, 1990. Included in the legislation and the Texas Local Government Code, Section 395, is the provision to review the Capital Improvements Plan, Land Use Assumptions, and impact fee schedules every fifth year.

In 2017 the City entered a contract with Freese and Nichols to update the Land Use Assumptions and population projections for the City of Lewisville, and with Birkhoff, Hendricks, & Carter, LLP to update the Water and Wastewater Master Plans.

The current Master Plans, Land Use Assumptions, and Capital Recovery Fees were approved by City Council at their meeting on September 17th, 2018.

Capital Recovery (Impact) fees are based on living unit equivalent (LUE) and meter size. This information was included in the 2018 presentations to the CIAC and City Council, culminating in the City Council setting new Capital Recovery (Impact) Fees at their September 17th, 2018 meeting. The project costs used in computing the maximum impact fee per LUE are listed in the sections below.

♦ Water System Capital Improvements Plan

The following items are included in the calculation for the impact fee for the water system:

- Water Supply Projects
- Water Treatment Projects
- High Service Pump Stations
- Ground Storage Tanks
- Elevated Storage Tanks
- Water Distribution & Transmission Lines
- Water System Planning Expenses

Projects used in this computation must provide capacity improvements to serve new development. City projects undertaken to provide rehabilitation or replacement, without excess capacity are not eligible to be included in these calculations.

CAPITAL IMPROVEMENT PROJECTS FOR THE WATER SYSTEM

Water Facility	Total 20-Year Project Cost	Utilized Capacity Value During Fee Period
Existing Water Distribution & Transmission Lines	\$34,342,637	\$5,587,630
Existing Elevated Storage Tanks	\$13,058,149	\$2,514,248
Existing Pump Stations	\$22,740,081	\$3,673,374
Existing Ground Storage Reservoir	\$18,334,844	\$2,636,428
Existing Water Treatment Facilities	\$29,219,755	\$2,308,326
Water system Planning Expense	\$61,000	\$61,000
Proposed Water Distribution & Transmission Lines	\$10,749,815	\$7,579,052
Proposed Water Supply & Storage Facilities	\$21,962,670	\$21,552,236
Total Water System	\$150,468,951	\$45,912,294

Details of each project are included in Appendix 'A' of the Engineering Evaluation Report of the Water and Wastewater 2018-2028 Impact Fee Review.

◆ Wastewater System Capital Improvements Plan

The following items are included in the calculation of the impact fee for the wastewater system:

- Wastewater Treatment Facilities
- Lift Stations and Force Mains
- Wastewater Collection Lines
- System Planning Expenses

CAPITAL IMPROVEMENT PROJECTS FOR THE WASTEWATER SYSTEM

Facility	Total 20-Year Project Cost	Utilized Capacity Value During Fee Period
Existing Wastewater Collection Lines	\$31,459,516	\$3,348,959
Existing Wastewater Lift Stations and Force Mains	\$28,430,918	\$2,776,262
Existing Wastewater Treatment Improvements	\$41,936,150	\$351,474
Wastewater System Planning Expense	\$71,000	\$71,000
Proposed Wastewater Collection Lines	\$5,178,273	\$2,395,979
Proposed Wastewater Lift Stations and Force Mains	\$33,967,606	\$14,453,251
Proposed Wastewater Treatment Facilities	\$53,044,540	\$45,952,320
Total Wastewater System	\$194,088,003	\$69,349,245

Details of each project are included in Appendix 'B' of the Engineering Evaluation Report of the Water and Wastewater 2018-2028 Impact Fee Review.

◆ Capital Recovery (Impact) Fee Determination

The impact fees are based on the living unit equivalents (LUE) subject to meter sizes. A 3/4" meter is equivalent to one LUE. As the meter size increases, the equivalent factor also increases. The current impact fee schedule for 2018-2023 is shown below. These fees were effective November 1, 2018, with no provision for escalation during the period of 2018 - 2023. The eligible proposed expenditure for water and wastewater capital improvements is \$45,912,294 and \$69,349,245, respectively.

Below is the fee adopted per LUE on September 17, 2018.

SCHEDULE OF CAPITAL RECOVERY FEES PER LUE

Water	Wastewater
\$2,614	\$2,724

Meter Size	LUE	Capital Recovery Fee		Total
		Water	Wastewater	
3/4"	1	\$2,614	\$2,724	\$5,338
1"	1.7	\$4,444	\$4,631	\$9,075
1-1/2"	3.3	\$8,626	\$8,989	\$17,615
2"	6.7	\$17,514	\$18,251	\$35,765
3"	16	\$41,824	\$43,584	\$85,408
4"	28	\$73,192	\$76,272	\$149,464
6"	61.3	\$160,238	\$166,981	\$327,219
8"	106.7	\$278,914	\$290,651	\$569,565
10"	166.7	\$435,754	\$454,091	\$889,845
12"	220	\$575,080	\$599,280	\$1,174,360

- The following information is submitted regarding the amount of water and wastewater impact fees collected from April 1, 2024 - September 30, 2024.

Effective November 1, 2018, the Capital Recovery (impact) Fees for Water and Wastewater are \$2,614 and \$2,724, respectively.

The Capital Recovery Fees collected for water totaled \$786,654.09 plus accrued interest of \$6,302.54, at an average interest rate of 4.04%.

The Capital Recovery Fees collected for wastewater totaled \$699,567.29 plus accrued interest of \$5,604.81, at an average interest rate of 4.04%.

New construction starts are distributed as follows:

	New Construction Starts Building Permits Issued (BPI)	Lewisville	Castle Hills	Total
New Commercial	5	(5 BPI) \$102,813.20	-	\$102,813.20
New Commercial - Shell	3	(3 BPI) \$206,669.04	-	\$206,669.04
New Single Family	76	(24 BPI) \$178,018.49	(52 BPI) \$413,827.52	\$591,846.01
New Multi-Family	3	(1 BPI) \$309,260.75	(2 BPI) \$878,042.33	\$1,187,303.08
Grand Total	87	(33 BPI) \$796,761.48	(54 BPI) \$1,291,869.85	\$2,088,631.33

New Multi-family Breakdown:

Lewisville - **CP Midway/121** - 1 BP issued for (3) buildings - 251 Total Units [Bldg A-104 units, Bldg B-45 units, Bldg C-102 units]

Castle Hills - **Jefferson Castle Hills Marketplace Phase II** - 1 BP issued for (1) Bldg - 381 total units

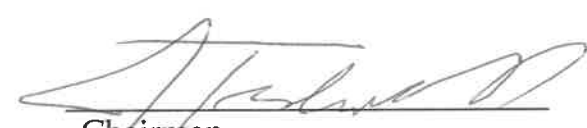
Castle Hills - **Aura Crown Centre Phase III** - 1 BP issued for (1) Bldg - 300 total units

♦ **Conclusion**

The City of Lewisville has not reported any written complaints or perceived inequities or inadequacies regarding the Capital Improvements Plan or the impact fee requirements.

The current Impact Fee Program complies with Chapter 395 of the Texas Local Government Code.

Respectfully submitted,



Chairman