



# City of Saginaw

**Meeting Date:** 06/07/2016

**Staff Contact:** Mark White  
Director of Public Works

**Agenda Item:** 5  
(CC-0616-04)

**E-mail:** [mwhite@saginawtx.org](mailto:mwhite@saginawtx.org)

**Phone:** 817-230-0449

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**SUBJECT:** Consideration and Action regarding Individual Project Order for the 2016 Impact Fee Update

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**BACKGROUND/DISCUSSION:**

Every five years the City's impact fees must be reviewed and updated. This study must be performed by a professional engineer. The last study was completed in 2011. The 2016 Impact Fee Update was included in the current fiscal year budget. A proposal from Kimley-Horn and Associates, Inc. for the impact fee update is included in the attachments. The cost for the update will be \$12,000.

**FINANCIAL IMPACT:**

The financial impact will be \$12,000. Funds in the amount of \$12,000 are budgeted in the Water/Wastewater Escrow Fund Budget for this expenditure.

**RECOMMENDATION:**

Staff recommends approval of the Individual Project Order for the 2016 Impact Fee Update.

**Attachments**

Letter with Proposed IPO from Jeff James

# Kimley»Horn

May 12, 2016

Mr. Mark White  
City of Saginaw  
205 Brenda Lane  
Saginaw, Texas 76179

RE: 2016 Impact Fee Update

Dear Mark:

Please find attached the Individual Project Order (IPO) for the 2016 Impact Fee Update that was approved by City Council for the 2015/2016 fiscal year budget. The IPO is in conformance with the master services agreement dated April 17, 2012.

Please contact me at (817) 339-2259 or [jeff.james@kimley-horn.com](mailto:jeff.james@kimley-horn.com) should you have any questions.

Sincerely,

**KIMLEY-HORN AND ASSOCIATES, INC.**

TBPE No. F-928



Jeff James, P.E.  
Project Manager

## INDIVIDUAL PROJECT ORDER NUMBER – 2016 Impact Fee Update

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant), and The City of Saginaw, Texas (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated April 17, 2012, which is incorporated herein by reference.

Identification of Project: 2016 Impact Fee Update

### **Project Understanding:**

This project is identified in the 2015 Budget Retreat. The Client desires to update the Impact Fee calculation for the years 2016-2021. The document will be similar in format and content to the previous documents.

### **Specific Scope of Basic Services:**

#### **Task 1. Water Impact Fee Study**

CONSULTANT will prepare the water impact fee update in conformance with Chapter 395 of the Local Government Code and shall include:

- 1.1. Data Collection. CONSULTANT will rely upon the following information obtained and/or prepared in the 2016 Comprehensive Master Plan and CIP.
  - 1.1.1 Water Master Plan
  - 1.1.2 Water usage history - Annual water usage records for the past ten (10) years for development of the service unit projection.
  - 1.1.3 Population data – Population data for 2016 and population projections for the next ten (10) years for development of the service unit projection.
- 1.2. Infrastructure Capacity Criteria. CONSULTANT will rely upon the following information obtained and/or prepared in the 2016 Comprehensive Master Plan and CIP.
  - 1.2.1 Future Transmission Lines (12-inch and larger)
  - 1.2.2 Existing and Future Elevated Storage Tanks
  - 1.2.3 Existing and Future Ground Storage Tanks
  - 1.2.4 Existing and Future Pump Stations

A criterion will not be developed for existing City transmission lines. If the City does not have criteria for elevated storage tanks, ground storage tanks and pump stations sizing, the CONSULTANT will utilize the Texas Commission on Environmental Quality (TCEQ) criteria.

- 1.3. Water Impact Fee Capital Improvements Plan. CONSULTANT will coordinate with the City to develop the Water Impact Fee Capital Improvements Plan. It will include the following infrastructure:
  - 1.3.1 Future Transmission Lines (12-inch and larger)
  - 1.3.2 Existing and Future Elevated Storage Tanks
  - 1.3.3 Existing and Future Ground Storage Tanks
  - 1.3.4 Existing and Future Pump Stations

It will not include existing City transmission lines.
- 1.4. Maximum Assessable Water Impact Fee Calculation. CONSULTANT will calculate the additional service units based on the Land Use Assumptions. CONSULTANT will then calculate the Impact Fee per service unit, unit equivalents by meter size and the Maximum Assessable Water Impact Fee table by meter size. CONSULTANT will incorporate the financial analysis performed in Task 4 to determine the credit calculation.. If Task 4 is not performed, CONSULTANT will use 50% as the credit calculation as required by state law.
- 1.5. Water Impact Fee Update Report. CONSULTANT will provide both a draft and final Water Impact Fee Report. The report will include:
  - 1.5.1 Water service area
  - 1.5.2 Narrative of the impact fee update methodology
  - 1.5.3 Impact fee calculations
  - 1.5.4 Water Impact Fee CIP
  - 1.5.5 Exhibits
  - 1.5.6 Draft versions of the Water Impact Fee Report will be submitted in .pdf format.
- 1.6. Meetings. CONSULTANT will prepare for and attend the following meetings:
  - 1.6.1 One (1) meeting with staff to review Water Impact Fee Capital Improvements Plan and Maximum Assessable Water Impact Fees.
- 1.7. Deliverables
  - 1.7.1 Electronic (.pdf) copy of the Draft Water Impact Fee Report.
  - 1.7.2 Text of the Draft Water Impact Fee Report will be provided in .doc format for commenting purposes.
  - 1.7.3 Upon final approval of the Impact Fee Update and new ordinance by the City Council, CONSULTANT will provide up to fifteen (15) originals of the Final Impact Fee Update Report, including the Water Impact Fee component of the Report (see Task 6.2).

**Task 2 – Wastewater Impact Fee Update**

CONSULTANT will prepare the wastewater impact fee update in conformance with Chapter 395 of the Local Government Code and shall include:

- 2.1. Data Collection. CONSULTANT will rely upon the following information obtained and/or prepared in the 2016 Comprehensive Master Plan and CIP.
  - 2.1.1 Wastewater Master Plan
  - 2.1.2 Wastewater usage history - Annual wastewater usage records for the past ten (10) years for development of the service unit projection.
  - 2.1.3 Population data – Population data for 2016 and population projections for the next ten (10) years for development of the service unit projection.
  
- 2.2. Infrastructure Capacity Criteria. CONSULTANT will coordinate with the City to obtain the criterion for determining the ten (10) year capacity of the following infrastructure:
  - 2.2.1 Future Trunk Lines (12-inch and larger)
  - 2.2.2 Existing and Future Lift Stations
  - 2.2.3 Existing and Future Force Mains

If the City does not have criteria for lift station and force main sizing the CONSULTANT will utilize the Texas Commission on Environmental Quality (TCEQ) criteria.
  
- 2.3. Wastewater Impact Fee Capital Improvements Plan. CONSULTANT will coordinate with the City to develop the Wastewater Impact Fee Capital Improvements Plan. It will include the following infrastructure:
  - 2.3.1 Future Trunk Lines (12-inch and larger)
  - 2.3.2 Existing and Future Lift Stations
  - 2.3.3 Existing and Future Force Mains
  
- 2.4. Maximum Assessable Wastewater Impact Fee Calculation. CONSULTANT will calculate the additional service units based on the Land Use Assumptions. CONSULTANT will then calculate the Impact Fee per service unit, unit equivalents by meter size and the Maximum Assessable Wastewater Impact Fee table by meter size. CONSULTANT will incorporate the financial analysis performed in Task 4 to determine the credit calculation. If Task 4 is not performed, CONSULTANT will use 50% as the credit calculation as required by state law.
  
- 2.5. Wastewater Report. CONSULTANT will provide both a draft and final Wastewater Impact Fee Report. The report will include:
  - 2.5.1 Wastewater service area



- 2.5.2 Narrative of the impact fee update methodology
- 2.5.3 Impact fee calculations
- 2.5.4 Wastewater Impact Fee CIP
- 2.5.5 Exhibits
- 2.5.6 Because of the relatively high printing costs and the challenge of managing drafts and final versions of each major component of the Impact Fee Update Report, draft versions of the Wastewater Impact Fee Report will be submitted in .pdf format.

2.6. Meetings. CONSULTANT will prepare for and attend the following meetings:

- 2.6.1 One (1) meeting with staff to review Wastewater Impact Fee Capital Improvements Plan and Maximum Assessable Wastewater Impact Fees

2.7. Deliverables.

- 2.7.1 Data collection request letter
- 2.7.2 Electronic (.pdf) copy of the Draft Wastewater Impact Fee Report
- 2.7.3 Text of the Draft Wastewater Impact Fee Report will be provided in .doc format for commenting purposes.
- 2.7.4 Upon final approval of the Impact Fee Update and new ordinance by the City Council, CONSULTANT will provide up to fifteen (15) originals of the Final Impact Fee Update Report, including the Wastewater Impact Fee component of the Report (see Task 6.2).

### **Task 3 – Adoption Process/Administration Tools**

3.1. Public Hearings and Approval. It is anticipated that a representative from CONSULTANT will prepare for and attend up to six (6) meetings during the public hearing and approval process. These anticipated meetings are as follows:

- Prepare for and attend two (2) Capital Improvements Advisory Committee (CIAC) and/or Council workshop to present fundamentals of Impact Fees and Land Use Assumptions.
- As required by Chapter 395 of the Local Government Code, prepare for and attend two (2) CIAC public hearing to present the Land Use Assumptions, CIP, and Maximum Assessable Water and Wastewater Impact Fees.
- As required by Chapter 395 of the Local Government Code, prepare for and attend two (2) City Council public hearing to present the Land Use Assumptions, CIP, and Maximum Assessable Water and Wastewater Impact Fees; and adopt the associated ordinance.

### 3.2. Other Approval and Implementation Tasks.

- Upon final approval of the Impact Fee Update and new ordinance by the City Council, CONSULTANT will provide up to fifteen (15) copies of the Final Impact Fee Update Report, including Land Use Assumptions, Water and Wastewater components of the Impact Fee Update, along with an electronic (.pdf) copy of the Final Impact Fee Update Report.
- At the request of the City, CONSULTANT will review the proposed Impact Fee Ordinance as prepared by the City Attorney. It is anticipated the City Attorney will require exhibits from the Water and Wastewater Impact Fee Report to be included in the ordinance. CONSULTANT recommends the City coordinate with their Attorney to ensure they will be able to prepare the ordinance during Task 1 and Task 2.
- CONSULTANT will collect information on actual water and wastewater impact fees collected for up to six (6) benchmark DFW area cities for up to four (4) different land uses (single-family, multi-family, shopping center (retail), and office). This information will be provided to the City in electronic (.xls) tabular format for use in the development of comparison tables.

### 3.3. Administrative Tools

- CONSULTANT will create a Water and Wastewater Impact Fee estimator spreadsheet tool to assist in calculating a development's impact fees based on the impact fee rates adopted in Task 3.

## **Task 4 – Financial Analysis and Impact Fee Credit Determination (Additional Service)**

A financial subconsultant will calculate maximum assessable impact fees for the designated ten-year period for each service function (i.e. water, wastewater, and roadways), as well as determine the water, wastewater, and roadway impact fee credits in conformance with Chapter 395 of the Local Government Code. This task shall include:

- 4.1. Select Appropriate Credit Option. In 2001, Chapter 395 was amended to include a plan for awarding either a credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period that are used for payment of improvements that are included in the impact fee capital improvements plan, or a credit equal to 50% of the total cost of the impact fee capital improvements plan. Using the impact fee eligible capital improvement costs and projected service units provided by ENGINEER, the financial subconsultant will calculate the maximum assessable, full-cost recovery impact fees, including applicable financing costs, for the designated period. The financial subconsultant will then meet with City Staff to determine the credit option (either the credit determination or 50% of costs) that most appropriately satisfies the balance between the City's funding requirements and the City's desired economic growth.

- 4.2. Credit Determination. Assuming the City elects to pursue the credit option involving ad valorem tax and/or utility service revenue, the financial subconsultant will determine the appropriate credit, if any, and apply this credit to the impact fee determination in accordance with Chapter 395 requirements. A critical component of this calculation is the examination of funding practices involving existing projects that are impact fee eligible under the newly calculated impact fees. Since Chapter 395 requires a credit for ad valorem taxes and/or utility service revenues from new service units used to fund impact fee eligible projects, a decision must be made as to whether to maintain or modify the existing funding practice for existing projects. The ultimate decision of either maintaining or modifying existing funding practices is generally based on funding needs or the administrative requirements of complying with Chapter 395.
- 4.3. Impact Fee Determination. After the credit determination is made, the credit will be incorporated into the impact fee calculation. The impact fee calculation performed by the financial subconsultant uses a financial model, which fully recognizes the requirements of Chapter 395, including the recognition of cash and/or debt financing, interest earnings, fund balances, ad valorem taxes, and utility rate revenues.
- 4.4. Meetings and Presentations. After the impact fees have been calculated, the financial subconsultant will meet with City Staff to review the impact fee determination and address any outstanding issues and/or concerns. Staff's comments and recommendations will be incorporated where appropriate. CONSULTANT will incorporate the financial analysis and impact fee credit determination into the final impact fee documentation.

### **Additional Services**

Additional services to be performed if authorized by the Client, but which are not included in the above-described Scope of Services, are as follows:

- Roadway Impact Fees
- Financial Analysis and Impact Fee Credit Determination
- Additional assistance in developing the land use assumptions outside of that described in this agreement.
- Preparation for and attendance at additional public meetings not specifically identified in the Scope of Services.
- Furnish additional copies of review documents in excess of the number of the same identified in the Scope of Services.
- Reanalysis or recalculation to reflect project scope changes or policy changes requested by the City, addressing changes in direction previously approved by the City, or mandated by changing governmental laws.
- Assisting Client in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this Agreement. Such services, if any, shall be furnished by Consultant on a fee basis negotiated by the respective parties outside of and in addition to this Agreement.



- Meetings, presentations, and preparation of technical and other support documents in addition to those specifically provided for in the Scope of Services.
- The preparation of additional legal notices in addition to those specifically provided for in the Scope of Services.
- Any services not listed in the Scope of Services.

## Schedule

Consultant will provide the services within a reasonable length of time once the 2016 Comprehensive Master Plan and CIP are completed and adopted by City Council.

## Fee and Billing

Kimley-Horn will perform the services in Tasks 1-3 for the total lump sum fee of \$12,000. All permitting, application, and similar project fees will be paid directly by the Client.

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.


KHA will perform any additional services (Task 4) on a labor fee plus expense basis. Labor fee will be billed on an hourly basis according to the attached rate schedule, which is subject to annual adjustment.

ACCEPTED:

CITY OF SAGINAW, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.

BY: \_\_\_\_\_  
Nan Stanford  
City Manager

BY:  \_\_\_\_\_  
Jeff James  
Senior Vice President

DATE: \_\_\_\_\_

DATE: 5/27/16

Kimley-Horn and Associates, Inc.  
Standard Rate Schedule  
(Hourly Rate)

Clerical/Administrative Support	\$65 - \$120
Technical Support	\$75 - \$155
Designer	\$105 - \$170
Analyst	\$140 - \$155
Professional	\$145 - \$195
Senior Professional II	\$180 - \$230
Senior Professional I	\$220 - \$240

*Effective July 2015*