



Acceptance of the FY 20-21 Impact and Capacity Fee Reports

Town Council Meeting
December 15, 2021

Purpose of Presentation

- Summarize the FY 20-21 Impact and Capacity Fee Activity
- Identify Action Items
- Recommendation to Approve Resolution 1429-21 Accepting the FY 20-21 Impact Fee Report and Capacity Fee Report



Background

- Impact and Capacity Fees are One-Time Fees Paid by New Development to Mitigate the Cost of New Infrastructure Installed to Maintain the Adopted Service Levels
 - Impact Fees (6): Police, Fire, Transportation, Parks, Library, and Town Facilities
 - Applies to New Construction Within the Town Boundary
 - Capacity Fees (2): Water and Wastewater
 - Applies to New Construction Within Each, Unique Service Area



Background (continued)

- Fee Amounts

- State Law Provides Guidance RE. Fee Calculations
- Last Fee Update
 - Capacity Fees: July 1, 2019
 - Impact Fees: February 10, 2020
- Example: Single-Family House Fee
 - One of three amounts based upon when first permit in subdivision was paid (Grandfathering)
 - \$10,635
 - \$12,077
 - \$12,648



Background (concluded)

- Reporting Requirements
 - Impact Fees: Annual Report Required by State Law
 - Capacity Fees: Annual Report Required by Town Council Financial Policy
 - Town Council Acceptance of Both Reports: Required per Town Council Financial Policy to Improve Communication to the Public and the Development Community



Summary of Results



- Record Level of Revenues: \$28.5M
 - Impact Fees: \$17.1M
 - Capacity Fees: \$11.4M
- Reporting Enhancements Were Completed
 - Added Variance Comparisons
 - Added Cumulative-To-Date Information
 - FY 20-21 Represented the 4th Year of the 10-Projection
 - Revenues are Very Close to Projections with One Exception
 - Water Capacity Fee Revenue Projections Did Not Account for Capacity Fee Exclusions Associated with Private Water Company Purchases nor HOA Meters

FY 20-21 Activity Summary



Impact Fees:	
Single-Family Residential Units	2,215
Multi-Family Units	128
Non-Residential Square Feet	~434K
Capacity Fees:	
Equivalent Residential Units - Water	2,300
Equivalent Residential Units - Wastewater	2,186

FY 20-21 Financial Summary

	Beginning Balance	Plus Fees/Interest	Minus Prior Year Correction #1	Plus Prior Year Correction #2	Minus Expenses (Project Costs/Debt Payments)	Ending Balance	Change
1. Parks	\$13.0M	\$7.8M			\$0.9M	\$19.9M	\$6.9M
2. Town Facilities	\$3.0	\$0.2			\$0.3	\$2.9	(\$0.1)
3. Transportation	\$8.0	\$5.0	(\$2.0M)	\$8.0M	\$5.0	\$14.0	\$6.0
4. Library	\$1.9	\$0.4			\$0.2	\$2.1	\$0.2
5. Police	\$0.4	\$1.3			\$1.0	\$0.7	\$0.3
6. Fire	\$13.5	\$2.5			\$4.1	\$11.9	(\$1.6)
7. Water	(\$3.0)	\$5.3			\$9.7	(\$7.4)	(\$4.4)
8. Wastewater	(\$15.1)	\$6.1			\$5.7	(\$14.7)	\$0.4
Totals		<u>\$28.6</u>			<u>\$26.9</u>		

Impact Fees

FY 20-21 Actual Revenue vs. Projected

	Parks	Town Facilities	Transportation	Library	Police	Fire
Annual Impact Fee Revenue	\$7.7M	\$0.2M	\$5.0M	\$0.4M	\$1.3M	\$2.5M
Projected Revenue Per Study	\$5.2	\$0.1	\$3.6	\$0.3	\$1.1	\$2.0
\$ Variance	\$2.5	\$0.1	\$1.4	\$0.1	\$0.2	\$0.5
% Variance	48%	50%	39%	33%	18%	25%

Cumulative Impact Fee Analysis (4 Years: FY17-18 to FY 20-21)

	Projected	Actual	Variance	Variance %	10-Yr Totals Per Report	% of 10-Yr Actual
<u>Units</u>						
Single Family	5,020	6,361	1,341	27%	11,863	54%
Multi-Family	284	128	(156)	-55%	1,857	7%
<u>Square Feet</u>						
Commercial	679,000	744,593	65,593	10%	925,000	80%
Office & Other Services	722,000	586,817	(135,183)	-19%	1,287,000	46%
Industrial	327,000	0	(327,000)	-100%	502,000	0%
Revenue	\$47.6M	\$47.4M	(\$0.2M)	-0.3%	\$107.0M	44%

Capacity Fee Revenues FY 20-21 Actual vs. Projected



	Water	Wastewater
Actual	\$5.3M	\$6.2M
Projected	\$5.3M	\$3.0M
\$ Variance	\$0.0M	\$3.2M
% Variance	0%	107%

Cumulative Capacity Fee Analysis (4 Years: FY17-18 to FY20-21)

	Projected	Actual	Variance	Variance %	10-Yr Totals Per Report	% of 10-Yr Actual
<u>Water</u>						
Equivalent Residential Units	6,907	7,139	231	3%	18,046	40%
Revenue	\$20.8M	\$20.9M	\$0.1M	Less than 1%	\$47.3M	44%
<u>Wastewater</u>						
Equivalent Residential Units	3,897	5,957	2,060	53%	10,245	58%
Revenue	\$15.4M	\$21.7M	\$6.3M	41%	\$33.8M	64%

Action Items

1. Address Cash Flow Deficits in Water and Wastewater Prior to End Of the Current Fiscal Year
2. Revise Water Equivalent Residential Unit Projections For Buy-In Agreements Associated with Private Water Company Purchases and HOAs
3. Calculate Expected Termination Date of Library and Facilities Fee
4. Determine Possible Partial Debt Payoff Associated with Transportation Fee



Recommended Motion

Approve Resolution 1429-21 Accepting the
FY 20-21 Annual Impact Fee and Capacity Fee
Reports

