



ROUND ROCK, TEXAS
PURPOSE. PASSION. PROSPERITY.

City of Round Rock Utilities & Environmental Services Department

**Capital Improvements
Plan Progress**

**Semi-Annual Report
May 2015**

SUMMARY

The Local Government Code Section 395.058 requires the Capital Improvement Advisory Committee (CIAC) to report to the political subdivision the progress of the capital improvements plan and any perceived inequities in implementing the plan or imposing the impact fee. Included herein is the semi-annual report for the reporting period of October 1, 2014 to March 31, 2015. This report includes an updated assessment of the actual growth rate in comparison to the projections and assumptions made in the report; projects completed or initiated during the period; and impact fees collected during the period. These comparisons are used as indicators of the need to update the land use assumptions, capital improvements plan or impact fees.

The local government code also requires the Capital Improvement Advisory Committee to advise the City Council of the need to update the land use assumptions, capital improvements plan and impact fees. These items were last updated by the City in April 2012.

Figure 1 represents Ground and Surface water use, along with the number of active water services over the past two years. Although the City continues to grow, the total water production has remained fairly level over the past two years. Part of this reason could be because water usage is dependent on weather patterns; however, the City's conservation and reuse water programs are also contributing to the water usage by the City. New water services continue to increase, but at a slower pace compared to the early 2000's.

Figure 1

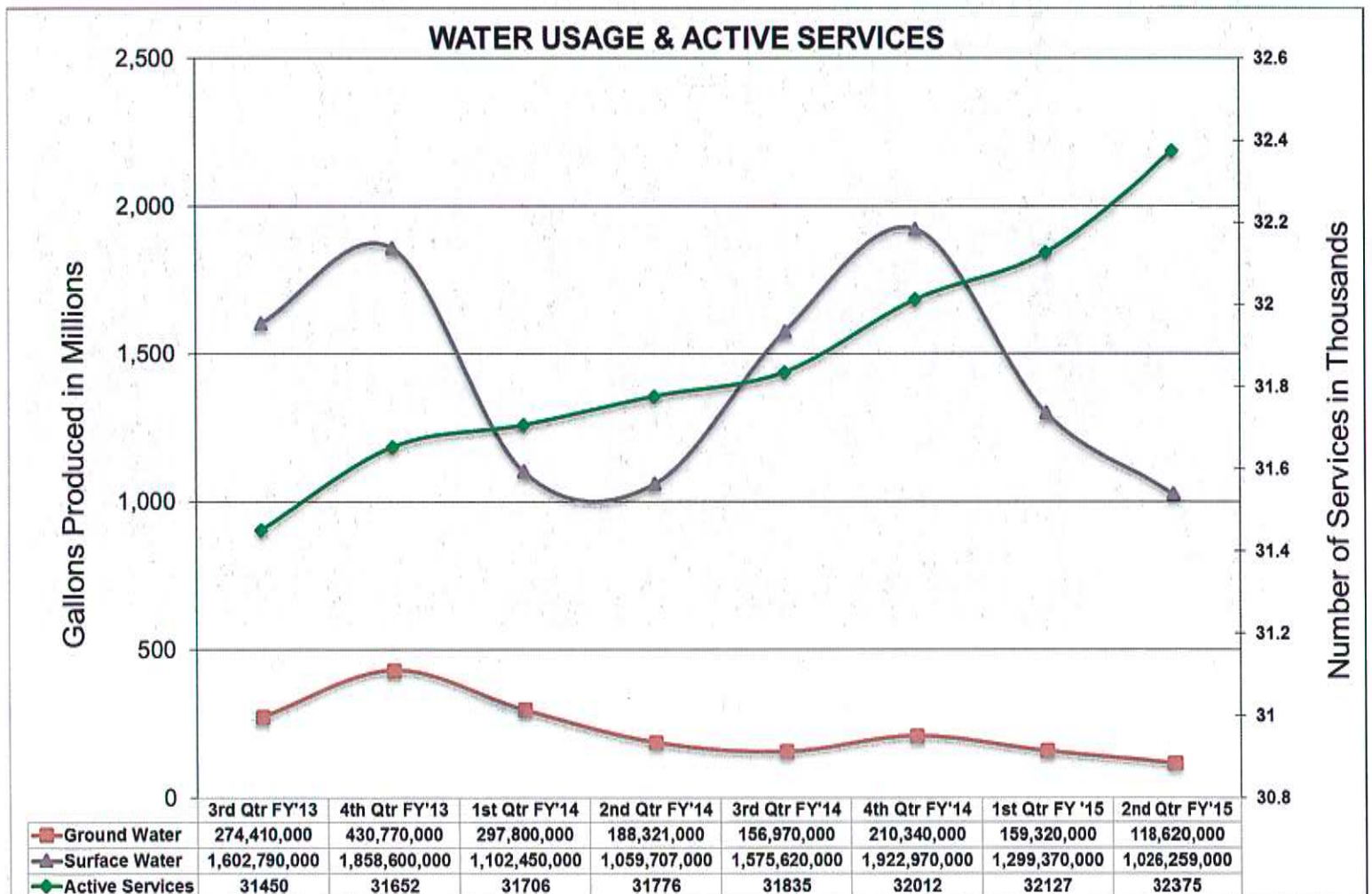


Figure 2 reflects the monthly potable water production over the past four years and three months. As can be expected, the average daily demand increases during the summer months; however, total water production is dependent on weather conditions, which effects discretionary water usage.

Figure 2

Average Potable Daily Demand Each Month

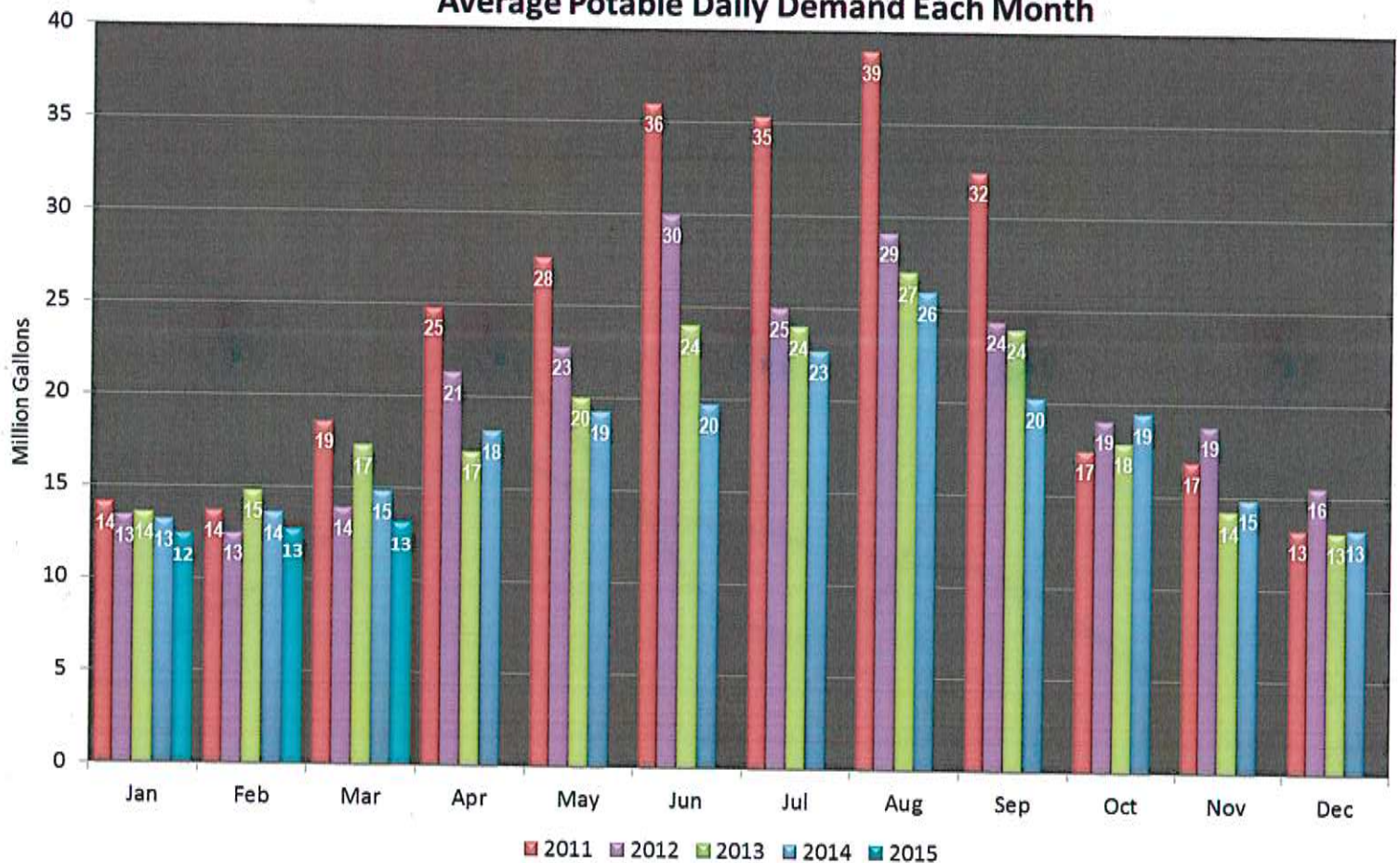


Figure 3 reflects the monthly potable treated water production and the Type I Reuse treated water production. The City's reuse water system began production in October 2012 with three customers: Old Settlers Park, Dell Diamond, and Forest Creek Golf Course. Since that time, the City has expanded the system to include Forest Creek HOA, Legends Village Subdivision, Austin Community College, and Texas A&M Health Science Center. The City continues to promote the reuse water system in the Northeast part of Round Rock and as depicted in Figure 3, the demand continues to grow.

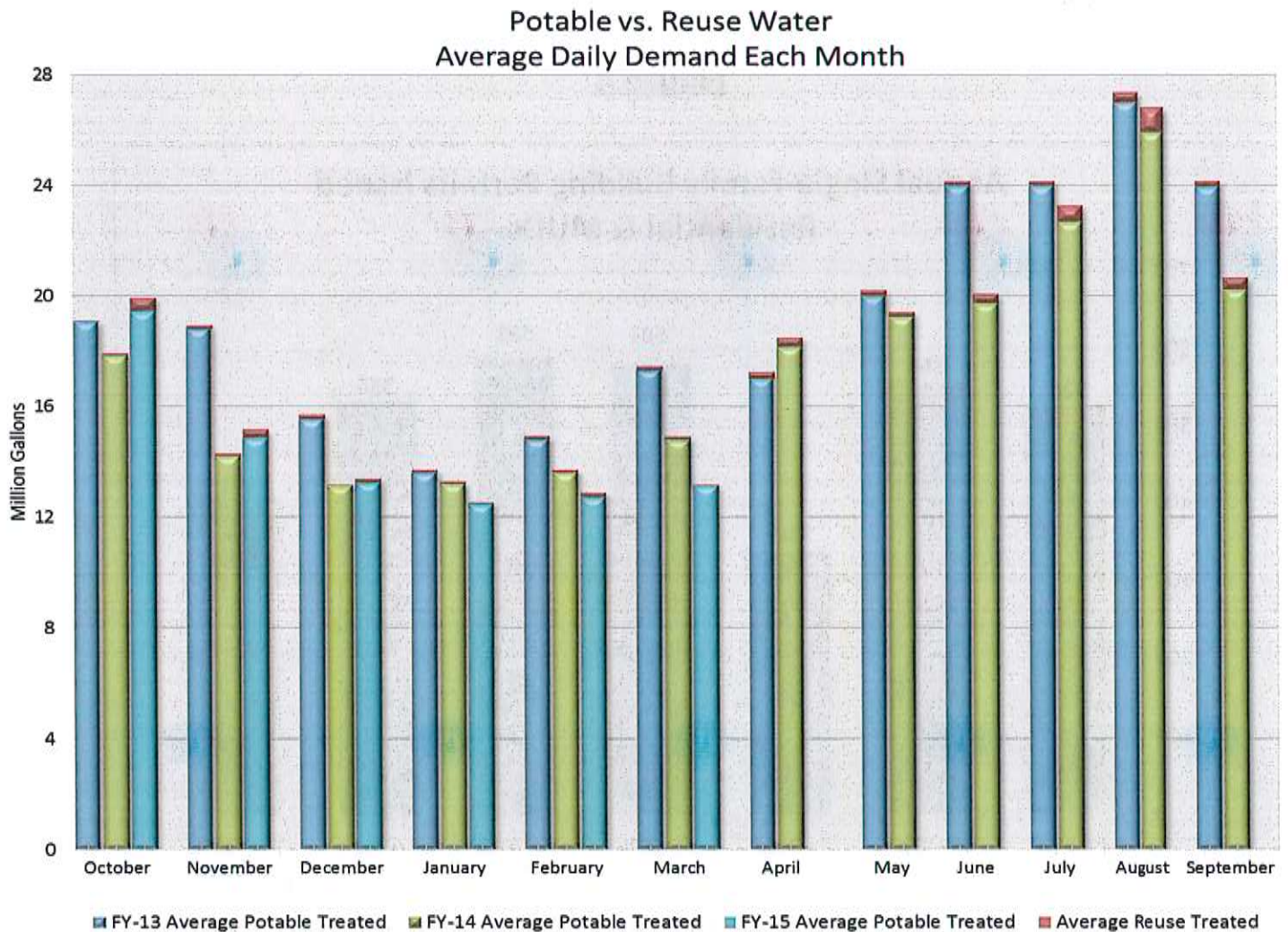


Figure 4 shows the number of Single-Family Building Permits issued annually. The number of new housing starts per year in the City of Round Rock has ranged from 222 to 327 over the past six years. During the first six months of FY-15, single-family permits are increasing due to new subdivisions available within the City, as well as new townhome developments. Of the 295 permits issued thus far in FY-15, 157 have been for single-family residences and 138 have been for townhomes. The surrounding Municipal Utility Districts (MUDs) that are located in Round Rock's extra-territorial jurisdiction (ETJ) continue to experience a steady number of single-family housing starts over this same time period as well.

Figure 4

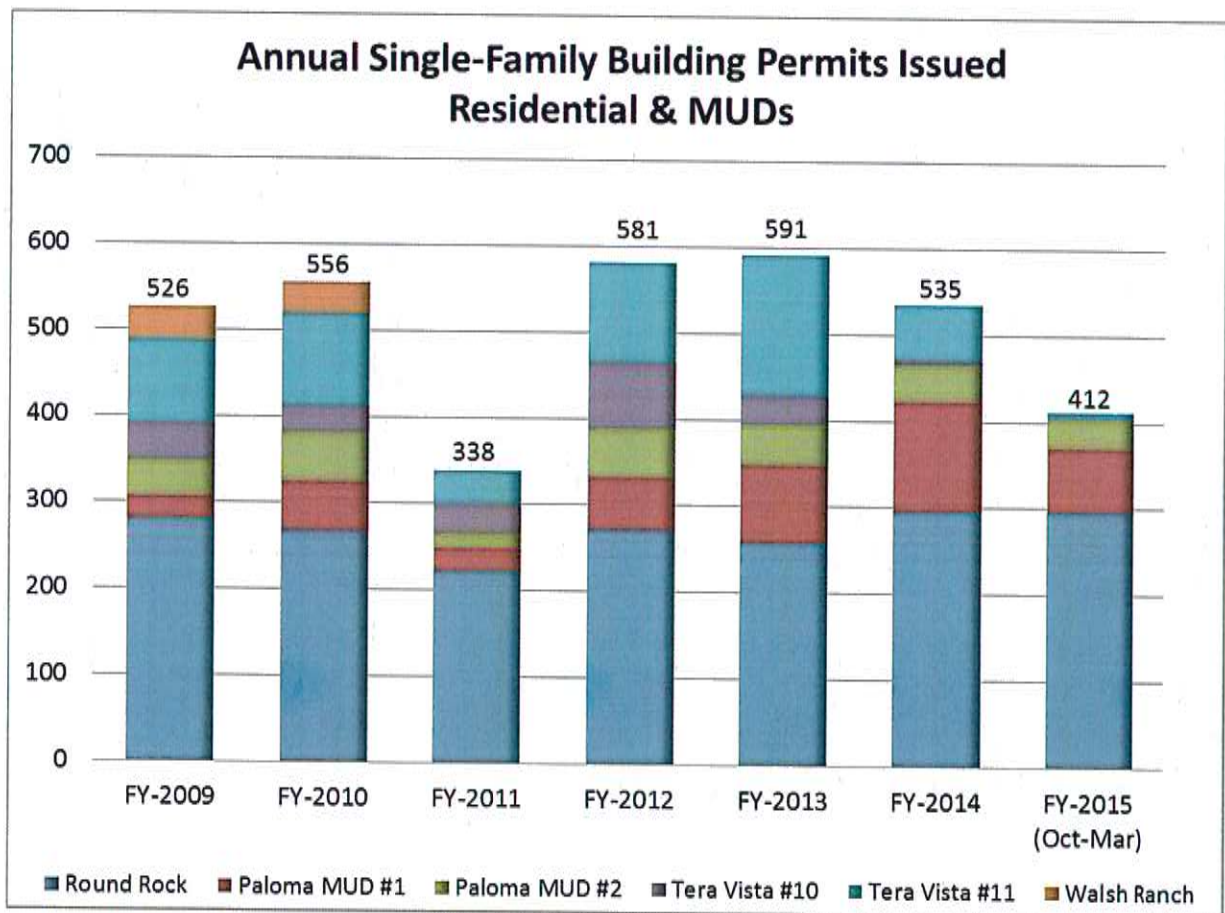


Table 1 represents the number of Multi-Family Building Permits issued annually. During FY-07, a large number of new apartment complexes were constructed within the City. This is reflected in the amount of impact fees collected during that year. The following years did not see this amount of multi-family construction; however, the population continued to grow despite the fewer permits issued. In FY-14, there was an increase in the number of multi-family projects either under construction or beginning construction; however, these projects were permitted in FY-13, as shown in the table below. For FY-15, there are a number of multi-family complexes that are either under construction or in permit review.

Table 1

Fiscal Year	Multi-Family Units Permitted
FY 2005	538
FY 2006	56
FY 2007	2147
FY 2008	224
FY 2009	274
FY 2010	130
FY 2011	0
FY 2012	280
FY 2013	884 (124 LUEs)
FY 2014	334 (63.5 LUEs)
FY 2015 (Oct – Mar)	238 (124 LUEs)

Note: The number of LUEs that were determined for these developments are shown in parenthesis.

Table 2 reflects the number of New Commercial Building Permits issued annually. Over the past several years this amount has been steady, ranging from 20 to 30 permits annually. However in FY-13 and FY-14, there was a significant increase in New Commercial Building Permits, specifically for restaurants, hospitals, medical clinics, banks, convenient stores, and office buildings.

Table 2

Fiscal Year	Commercial Building Permits
FY 2009	30
FY 2010	29
FY 2011	27
FY 2012	20 <i>(100 LUEs)</i>
FY 2013	37 <i>(185 LUEs)</i>
FY 2014	33 <i>(165 LUEs)</i>
FY 2015 (Oct – Mar)	25 <i>(91 LUEs)</i>

Note: The number of LUEs that were determined for these developments are shown in parenthesis.

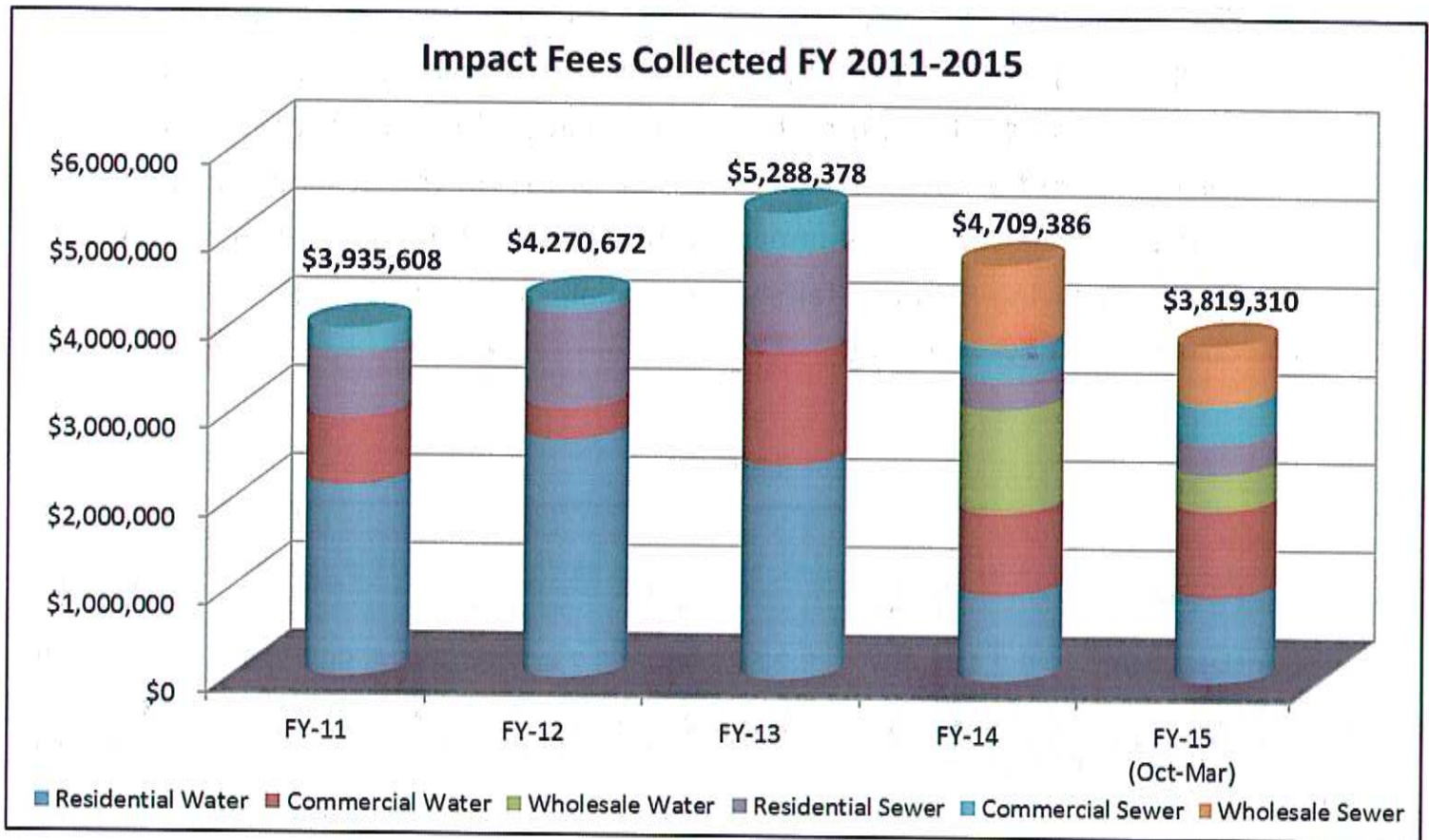
During the first six months of FY-15, the City has issued 25 New Commercial Building Permits. Some of these projects include hotels, medical offices, retail centers, and assisted living facilities.

Table 3 and Figure 5 summarize the impact fees collected from FY-11 thru FY-15 (Oct-Mar) for Residential and Commercial Building Permits. The single-family and multi-family residential permits did not increase in FY-14 as anticipated; therefore, the amount of impact fees collected was less than projected as well. For the first half of FY-15, the City has seen an increase in the amount of impact fees collected due to the construction that is occurring in single-family residential, multi-family residential and commercial developments.

Table 3

Impact Fees Collected FY 2011-2015					
Impact Fees	FY-11	FY-12	FY-13	FY-14	FY-15
Residential Water	\$ 2,151,497	\$ 2,685,030	\$ 2,407,646	\$ 961,767	\$ 951,312
Commercial Water	\$ 770,747	\$ 364,718	\$ 1,296,258	\$ 941,463	\$ 994,513
Wholesale Water	N/A	N/A	N/A	\$ 1,163,887	\$ 405,457
Residential Sewer	\$ 724,861	\$ 1,083,701	\$ 1,106,716	\$ 322,936	\$ 347,435
Commercial Sewer	\$ 288,502	\$ 137,223	\$ 477,758	\$ 398,361	\$ 439,733
Wholesale Sewer	N/A	N/A	N/A	\$ 920,972	\$ 680,860
Total Collected	\$ 3,935,608	\$ 4,270,672	\$ 5,288,378	\$ 4,709,386	\$ 3,819,310

Figure 5



The water model assumed that 2,100 LUEs per year would be added to the water system. For an impact fee of \$3,889 per LUE, this would indicate that the City should have collected approximately \$8.3 million per year in water impact fees if the City would be growing as projected.

The wastewater model assumed that 2,200 LUEs would be added to the wastewater system per year. For an impact fee of \$2,073 per LUE, this would indicate that the City should have collected approximately \$4.7 million per year in wastewater impact fees if the City would be growing as projected.

Table 4 provides population projections for Round Rock and Round Rock's ETJ over the coming years. These projections, anticipating a steady growth rate, indicated that in order to keep up with growth, capital improvements to the City's water and wastewater utility systems would be necessary. However, 2012-2015 estimates, shown in parenthesis, indicate the City's growth rate is slower than projected.

Table 4

Year	Inside City		City's ETJ	
	Projections	Growth Rate	Projections	Growth Rate
2010 (Census)	99,887	-	141,807	-
2011	100,659	0.8%	143,960	1.5%
2012	102,349 / (101,702)	1.7% (1.0%)	147,027	2.1%
2013	104,805 / (102,349)	2.4% (0.6%)	151,133	2.8%
2014	107,635 / (103,494)	2.7% (1.1%)	155,613	3.0%
2015	110,757 / (105,405)	2.9% (1.9%)	160,385	3.1%
2016	113,968	2.9%	165,024	2.9%
2017	117,160	2.8%	169,213	2.5%
2018	120,440	2.8%	173,490	2.5%
2019	123,812	2.8%	177,859	2.5%
2020	127,279	2.8%	182,323	2.5%
2021	130,461	2.5%	186,062	2.1%
2022	133,723	2.5%	189,881	2.1%
2023	137,066	2.5%	193,508	1.9%
2024	140,492	2.5%	197,218	1.9%
2025	143,302	2.0%	200,312	1.6%
2026	146,168	2.0%	203,462	1.6%
2027	149,092	2.0%	206,670	1.6%
2028	152,073	2.0%	209,651	1.4%
2029	155,115	2.0%	212,693	1.5%
2030	158,217	2.0%	215,795	1.5%

Notes: 2010 is the base year for these projections
() Annual Estimates by Planning & Development Services Department

Table 5 provides a summary of the Water System Capital Improvement Projects that have been completed or are in progress since the last impact fee analysis was completed in April 2012. In addition, projects that are anticipated over the next 10 years are also shown below.

Table 5

Completed Water Projects	Completion	Cost
Water Distribution System Model	2012	\$ 200,000
2012 Water Distribution System Master Plan & Impact Fee	2012	\$ 132,000
BCRUA Phase 1A - Construction Management & Inspection Services	2012	\$ 1,507,000
BCRUA Raw Water Line & Intake Barge, Contract 1	2012	\$ 8,590,000
BCRUA Raw Water Line & Intake Barge, Contract 2	2012	\$ 1,691,000
BCRUA Raw Water Line & Intake Barge, Contract 3	2012	\$ 1,134,000
BCRUA Treated Water Line - Phase 1, Segment 1	2012	\$ 3,608,000
BCRUA Treated Water Line - Phase 1, Segment 2A	2012	\$ 364,000
BCRUA Treated Water Line - Phase 1, Segment 2B	2012	\$ 5,168,000
BCRUA Treated Water Line - Phase 1, Segment 2C	2012	\$ 3,350,000
BCRUA Water Treatment Plant - Phase 1A	2012	\$ 19,048,000
Clearwell at RR-WTP	2012	\$ 2,851,000
		\$ 47,643,000

Water Projects In Progress	Completion	Cost
BCRUA Treated Water Line - Phase 1, Segment 3	2015	\$ 8,749,000
University Blvd Water Line Phase 1	2015	\$ 1,877,000
Parcel 150	2015	\$ 3,144,000
CR 112 Phase 2 - 24" Water Line (890 PP)	2015	\$ 888,000
Water Distribution System Master Plan & Impact Fee	2015	\$ 141,000
Arterial H Waterline	2015	\$ 1,503,000
		\$ 16,302,000

Upcoming Water Projects	Estimated Completion	Estimated Cost
South Creek Water Line	2016	\$ 617,000
Ground Water Treatment Plant at Lake Creek	2017	\$ 6,707,000
Southeast Red Bud Lane Water Lines	2017	\$ 559,000
BCRUA Water Treatment Plant - Phase 1B	2017	\$ 31,000
Saddle Brook Water Lines	2017	\$ 598,000
Double Creek Water Line	2017	\$ 1,841,000
Round Rock Glen Water Lines	2018	\$ 1,169,000
Brenda Lane Water Lines	2018	\$ 1,141,000
Palm Valley Water Line	2018	\$ 1,484,000
Water Distribution System Master Plan & Impact Fee	2018	\$ 150,000
Avery Center East	2019	\$ 2,915,000
Arterial A Water Line	2019	\$ 5,012,000
BCRUA Water Treatment Plant - Phase 1C	2019	\$ 4,152,000
Meadow Lake Lines	2019	\$ 969,000
BCRUA Deep Water Intake	2020	\$ 23,821,000
BCRUA Raw Water Line - Phase 2A, Segment 5	2020	\$ 16,866,000
2.0 MGD Elevated Storage Tank (PP 890)	2021	\$ 5,029,000
East Loop II	2021	\$ 6,619,000
Barton Hill EST Parallel Water Line	2021	\$ 1,624,000
BCRUA Water Treatment Plant - Phase 1D	2021	\$ 1,047,000
East Loop III	2021	\$ 7,203,000
Parcel 185	2021	\$ 817,000
Red Bud Lane Water Line	2021	\$ 2,312,000
RR1431 Water Line	2021	\$ 1,827,000
Water Distribution System Master Plan & Impact Fee	2021	\$ 154,000
		\$94,664,000

Table 6 provides a summary of the Wastewater System Capital Improvement Projects that have been completed or are in progress since the last impact fee analysis was completed in April 2012. In addition, projects that are anticipated over the next 10 years are also shown below.

Table 6

Completed Wastewater Projects	Completion	Cost
Chandler Creek 1 (Lower)	2013	\$ 424,000
McNutt Creek C3	2014	\$ 940,000
		\$ 1,364,000

Wastewater Projects in Progress	Completion	Cost
McNutt Creek C9	2015	\$ 1,471,000
McNutt Creek C13	2015	\$ 561,000
Lake Creek 2	2015	\$ 1,916,000
Lake Creek 3	2015	\$ 563,000
Chandler Creek 1 (Upper)	2015	\$ 573,000
McNutt Creek C2 (referred to as C5)	2015	\$ 1,762,000
Wastewater Master Plan and Impact Fee Update	2015	\$ 165,000
		\$ 7,011,000

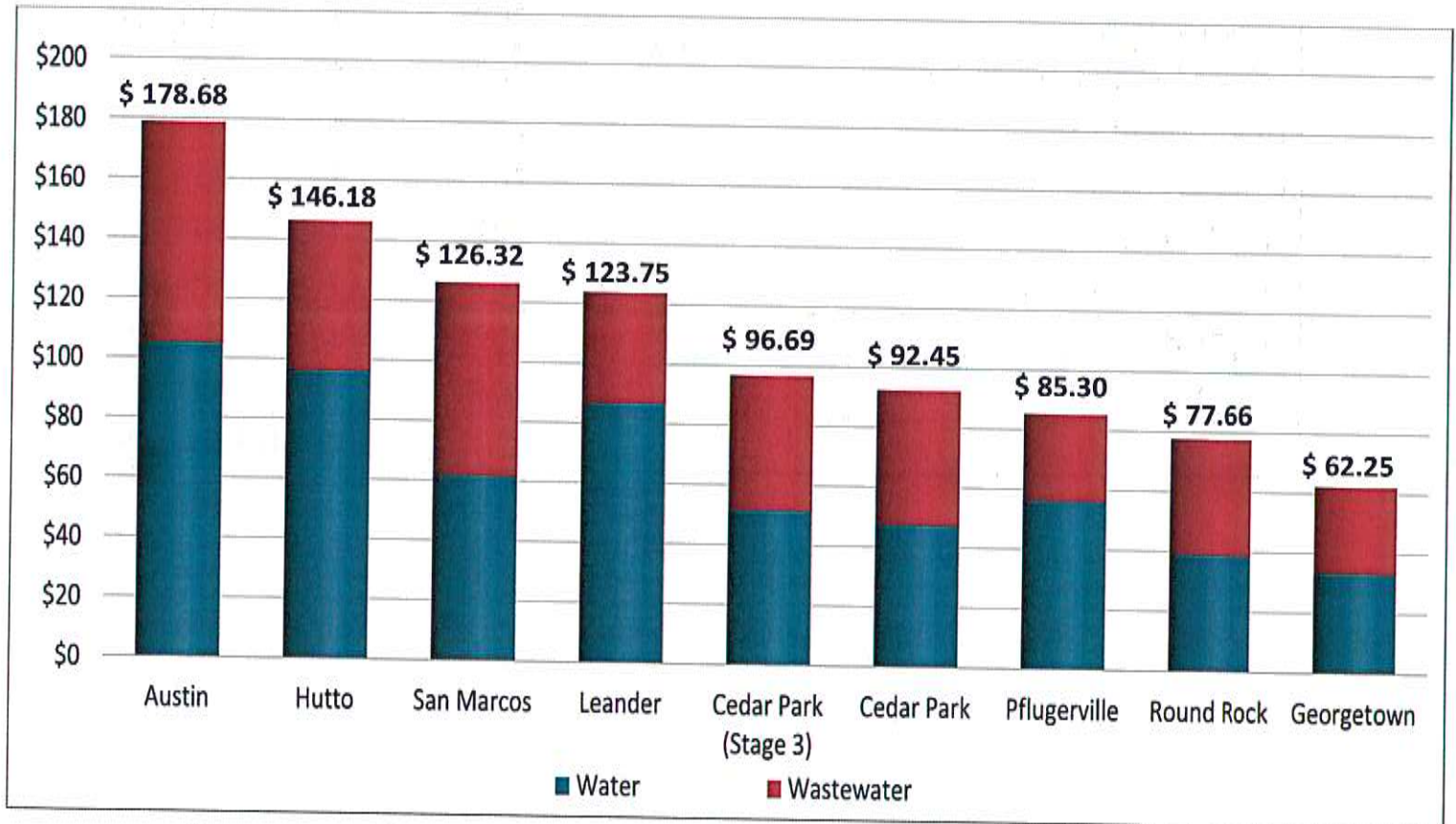
Upcoming Wastewater Projects	Estimated Completion	Estimated Cost
Chandler Creek 2	2016	\$ 428,000
Dry Creek	2016	\$ 856,000
Brushy Creek 2	2016	\$ 349,000
Chandler Creek 3	2016	\$ 655,000
Onion Creek 1	2017	\$ 134,000
SE Annex LS	2017	\$ 616,000
McNutt Creek 15 (referred to as 12)	2017	\$ 488,000
McNutt Creek D4	2017	\$ 1,108,000
WWTP Expansion 1	2018	\$ 39,179,000

Upcoming Wastewater Projects Continued...	Estimated Completion	Estimated Cost
Spanish Oak 1	2018	\$ 1,179,000
McNutt Creek C10	2019	\$ 937,000
McNutt Creek C12	2019	\$ 714,000
Lake Creek 1	2019	\$ 1,287,000
Forest Creek 2	2019	\$ 1,948,000
McNutt Creek D2	2019	\$ 3,339,000
McNutt Creek C4	2021	\$ 154,000
McNutt Creek C6	2021	\$ 202,000
Onion Creek 2	2021	\$ 99,000
Forest Creek Lift Station	2021	\$ 223,000
Hilton Head LS	2021	\$ 17,000
Lake Creek 4	2021	\$ 1,712,000
Mayfield Park 2	2021	\$ 1,549,000
McNutt Creek C8b	2021	\$ 649,000
Mayfield Park 1	2021	\$ 311,000
McNutt Creek D5	2021	\$ 748,000
		\$ 58,881,000

Figure 6 provides a comparison of the Single-Family Residential Utility Rates for Round Rock customers versus surrounding Central Texas City customers. As depicted, Round Rock utility rates remain some of the lowest in the region.

Figure 6

**Single-Family Residential
Water and Wastewater Rates Comparison
(monthly cost)***



** assumes 10,000 gallons water & 8,000 gallons wastewater used*

Table 7 compares Round Rock's Water and Wastewater Impact Fees to other Central Texas cities. As shown, Round Rock has one of the highest total impact fees charged for new connections to the water and wastewater systems. Round Rock's philosophy is for new customers and developments to pay for the capital improvements that are required due to the growth.

Table 7

Area Impact Fee Comparison				
City/Utility	Last Updated	Water	Wastewater	Total
Manville WSC	2008	\$2,800	n/a	\$2,800
Jonah Water SUD	2002	\$3,500	n/a	\$3,500
Brushy Creek MUD	2012	\$2,095	\$1,804	\$3,899
Cedar Park	2013	\$2,250	\$2,000	\$4,250
Georgetown	2010	\$3,511	\$1,694	\$5,205
Leander	2012	\$3,880	\$1,615	\$5,495
Hutto	2013	\$3,625	\$2,128	\$5,753
San Marcos	2013	\$2,285	\$3,506	\$5,791
Round Rock	2012	\$3,889	\$2,073	\$5,962
Georgetown (South San Gabriel Basin)	2010	\$3,511	\$2,927	\$6,438
Pflugerville	2014	\$4,241	\$2,725	\$6,966
Austin	2014	\$5,400	\$2,200	\$7,600

CONCLUSION AND RECOMMENDATIONS

The CIAC and City Council approved the new Impact Fees which went into effect August 1, 2012. Although the projected population growth in Round Rock is proceeding at a slightly slower rate than what was anticipated in the impact fee report, resulting in less water and wastewater impact fees collected, this has not caused a significant concern since the City has delayed some of the Capital Improvement Projects.

As a result, the City recommends the impact fees be reviewed every three years so that the fees are set according to the growth patterns and needs of the water and wastewater utility system improvements. The City is currently in the process of updating the Water and Wastewater Master Plans. The Impact Fees will then be updated following completion of the Master Plans. The estimated schedule for completing the Impact Fee Update will be the fall of 2015. The next Capital Improvements Plan Progress Report will include the results of the new Impact Fee analysis and will be presented to the CIAC and to the City Council in approximately six months.