



SEMI-ANNUAL REPORT (APRIL 2021)

CITY OF MIDLAND, TEXAS

DEVELOPMENT IMPACT FEES

**Progress of Capital Improvement Plan for
Roadway and Utility Impact Fees**

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REPORT PURPOSE AND OVERVIEW

The City of Midland enacted Development Impact Fees per Ordinance No. 9960 in August of 2019. These impact fees became effective on October 1, 2019. A Capital Improvement Advisory Committee of the City of Midland was formed during that process and continues to meet to discuss and make recommendations related to the City's Impact Fee program.

The role of the advisory committee, per Sec. 395.058 of the Texas Local Government Code, is to do the following:

- | Advise and assist the political subdivision in adopting land use assumptions;
- | Review the capital improvements plan and file written comments;
- | Monitor and evaluate implementation of the capital improvements plan;
- | File semiannual reports with respect to the progress of the capital improvements plan and report to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee; and
- | Advise the political subdivision of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

The first two of these roles were completed during the study and enactment phase. The final three roles are ongoing and contained within this document. This report serves to inform the CIAC and the political subdivision of the above required information.

Current members of the CIAC of the City of Midland are:

- | Jose Ortiz (City Staff);
- | Charles "Chuck" Harrington (City Staff);
- | Carl Craigo (City Staff);
- | Mark Payne (Developer/Home Builder);
- | Walter Pate (Architect); and
- | Brian Sales (Realtor).

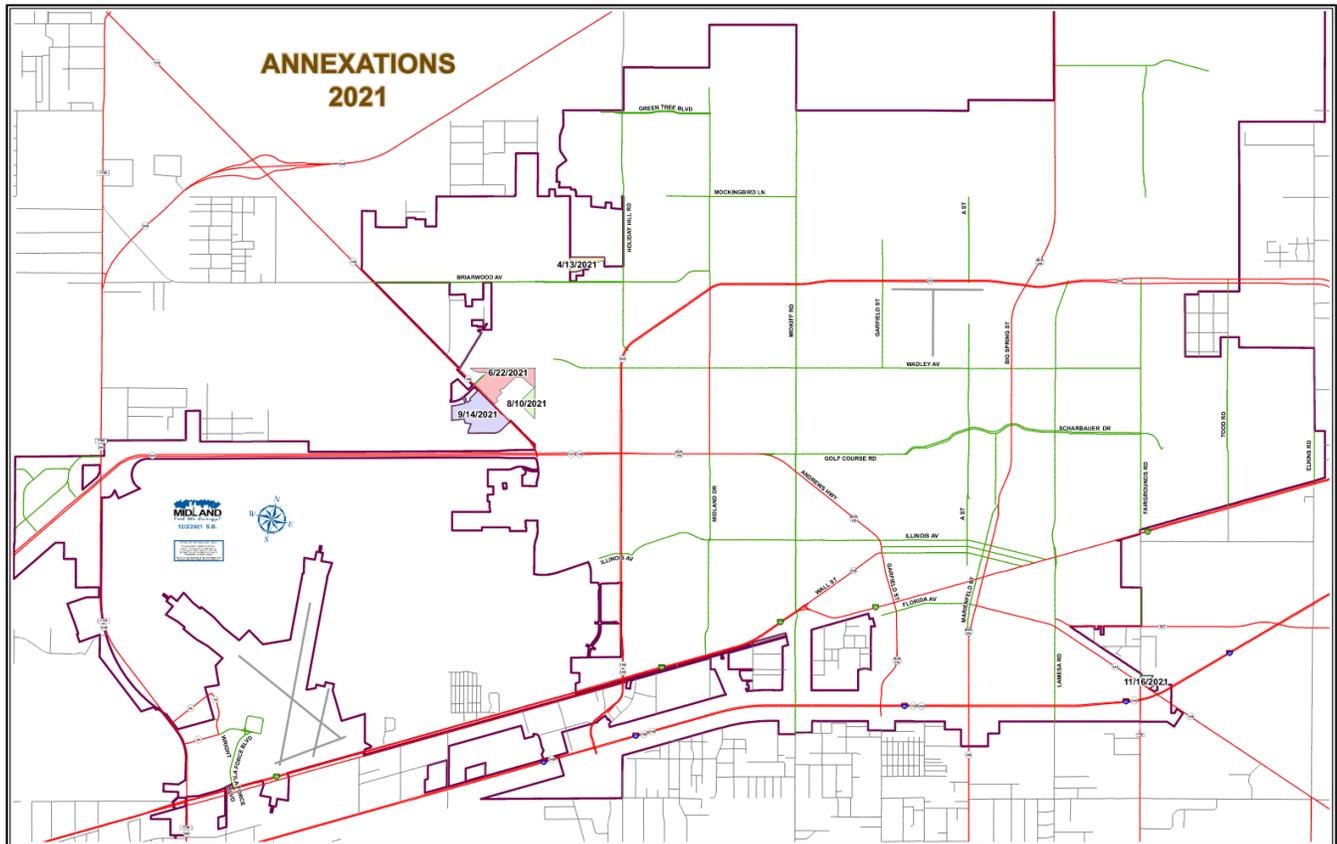
One slot for a citizen remains open with a desire to fill it with a commercial developer/realtor.

The City's impact fee program has now been active for 18 months. For developments that received final plat approval before the effective date, impact fees will not be collected on residential permits for two years and they were not collected for one year on commercial permits. Other projects that received a final plat after the effective date have been assessed fees at final plat and collected at the time of building permit as appropriate. Credits are available for residential housing equal to 25% of the applicable fee for 5 years from the effective date. Other credits are available to developers that install major water, wastewater, and roadway infrastructure that can be applicable across entire preliminary plats.

The City of Midland contains one service area (entire city) for both water and wastewater, but contains 5 service areas for roadway impact fees. Collected fees must be spent within the service area in which they are collected, so each is tracked separately within this report.

DEVELOPMENT STATISTICS AND CHANGES

Fiscal Years run from October 1st to September 30th. Since the beginning of the Development Impact Fees in Midland, three annexations have taken place, with one of those during the first six months of the current fiscal year. (See Exhibit Below)



The number of plats by fiscal year, and the number of residential lots and other lots created in the City during that time are shown in the table below.

| Fiscal Year | # of Approved Final Plat | # of Residential Lots | # of Non-Residential Lots (Includes MF) |
|--------------------------------|--------------------------|-----------------------|---|
| FY 2020 | 59 | 1022 | 71 |
| FY 2021 (1 st Half) | 24 | 249 | 13 |

FEES COLLECTED AND REMAINING

The following is a table of fee revenue and credits since the beginning of collections.

Impact Fee Revenue

| | FY2020 | FY2021 (as of 7/14) | Total Combined |
|------------------------------|----------------------|------------------------|------------------------|
| Roadway | | | |
| Service Area A | \$ - | \$ 215,917.44 | \$ 215,917.44 |
| Service Area B | \$ 21,131.08 | \$ 355,535.55 | \$ 376,666.63 |
| Service Area C | \$ 211,112.39 | \$ 335,459.40 | \$ 546,571.79 |
| Service Area D | \$ 106,485.59 | \$ 488,380.49 | \$ 594,866.08 |
| Water | \$ 177,241.64 | \$ 521,215.88 | \$ 698,457.52 |
| Waste Water | \$ 246,645.35 | \$ 156,181.24 | \$ 402,826.59 |
| Total Revenue to Date | \$ 762,616.05 | \$ 2,072,690.00 | \$ 2,835,306.05 |

Impact Fee Credits

| | FY2020 | FY2021 | Total Combined |
|----------------------------|------------------------|-------------|------------------------|
| Roadway | | | |
| Service Area A | \$ - | \$ - | \$ - |
| Service Area B | \$ 2,059,761.23 | \$ - | \$ 2,059,761.23 |
| Service Area C | \$ - | \$ - | \$ - |
| Service Area D | \$ - | \$ - | \$ - |
| Water | \$ 927,450.00 | | \$ 927,450.00 |
| Waste Water | \$ - | \$ - | \$ - |
| Total Credits Given | \$ 2,987,211.23 | \$ - | \$ 2,987,211.23 |

Impact Fees Spent

| | 2020 | 2021 | Total Combined |
|--------------------|------|---------------|----------------------|
| Roadway | | | |
| Service Area A | \$ - | \$ - | \$ - |
| Service Area B | \$ - | \$ - | \$ - |
| Service Area C | \$ - | \$ - | \$ - |
| Service Area D | \$ - | \$ - | \$ - |
| Water | \$ - | \$ - | \$ - |
| Waste Water | \$ - | \$ 984,559.68 | \$ 984,559.68 |
| Total Spent | | | \$ 984,559.68 |

The roadway and water credits in FY2020 are related to the Lone Star Trails Additions and the extension of water and pavement along Mockingbird and Fairgrounds Road to serve that area. The wastewater amounts spent/encumbered are related to the Wadley Sewer Extension. Midland's Department of Utilities paid for this project and that fund is being reimbursed by Impact Fees that get collected. Therefore, these fees are encumbered as shown.

PROJECTS COMPLETED AND UPCOMING

Over the last two years, since the capital improvement plans were developed, several projects have been completed, sometimes by the use of impact fee funds, but often by developers, TxDOT, or other entities. In addition, several projects are currently under construction or currently in the design process. Below is a list of projects that fit these categories.

Roadway Projects

Completed:

| N/A

Under Construction:

| Big Spring Street Widening & Medians (Mockingbird to SH349) – TxDOT & City Funds;
| Midkiff/Loop250 Intersection Improvements – TxDOT Funds;
| Lamesa/Stonebridge/Loop 250 Intersection Improvements – Developer Funds;
| Thomason/Illinois Roundabout – City Funds;
| Cholla Road – County Funds;

In Design:

| Neely/Garfield Roundabout – City Funds;
| Wadley Widening ('A' St to 'I' St) – City & ARPA Funds

Water Projects

Completed:

| Wadley Extension to SH158 – Developer Funds;
| Fairgrounds (Mockingbird to S. of Oxy Prkwy) – Developer Funds;

Under Construction:

| NE Elevated Storage Tank – City Funds;
| Transmission Line to NE Tank – City Funds;

In Design:

| N/A

Wastewater Projects

Completed:

| N/A

Under Construction:

| Wadley Extension to SH158 – City Funds & Impact Fee Funds;

In Design:

| Todd Road NE Sewer Line – City Funds;

RECOMMENDED CHANGES

The CIAC has the ability and responsibility to make recommendations to the Midland City Council for any changes to the Impact Fee program that they feel are necessary. Those changes can be categorized into the following areas.

Land Use Assumptions

The original Land Use Assumptions were developed as part of the impact fee study in 2019. No significant modifications to the land use plans for the City of Midland have been made, and therefore, no changes to the impact fee land use assumptions are necessary at this time. Annexations that occur do add additional areas to the land use map, but none of those annexations require a change to the existing assumptions.

Capital Improvement Plan/Maps

The original capital improvement plans were developed as part of the impact fee study in 2019. Each project was identified, and costs were calculated as part of the study. As projects are completed (see previous section) or as projects get modified or added to the capital improvement plans, the CIAC can recommend new maps or project lists to comply with these changes. New projects could come from newly annexed areas or newly identified priorities. No significant modifications to the maps are needed at this time, but several projects can be removed or added as noted on the exhibits.

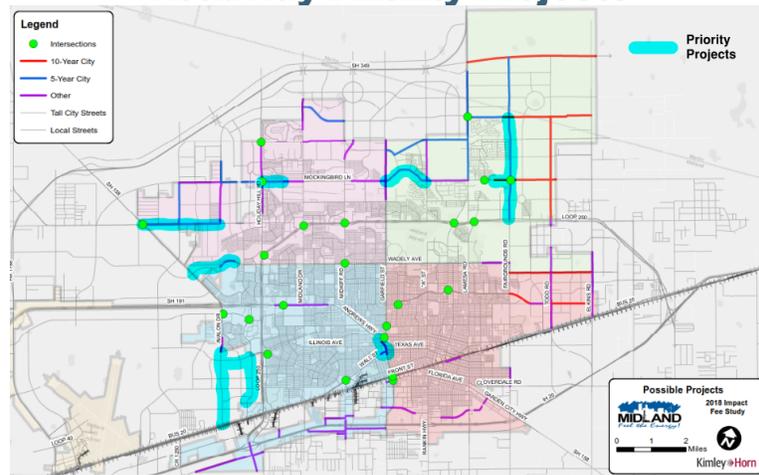
Base Fees

The original base impact fee rates were developed and approved as part of the impact fee study in 2019. These costs are based on service units also identified in the study and ordinance. The CIAC can recommend changes to these base fees. At this time, no changes are recommended to be considered, but the City is exploring clarifications and changes that could affect these fees in the future.

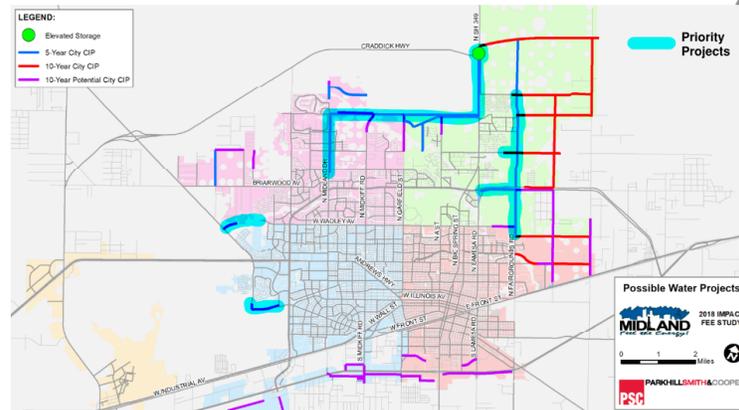
Priority Projects

Additionally, during the original impact fee study, the CIAC made some recommendations to the City Council about which projects in the CIP should be considered the highest priority to assist with opening additional development areas. Those exhibits are shown below and the CIAC has the ability to make recommendations to modify what projects are considered “priority.” No changes are anticipated at this time.

Capital Improvements Plan Roadway Priority Projects



Capital Improvements Plan Water Priority Projects



Capital Improvements Plan Wastewater Priority Projects

