

## **AGENDA**

The Capital Improvements Advisory Committee (CIAC) of the City of Sherman will hold a regular meeting Tuesday, April 18, 2023 at 4:00P.M. in the Council Chambers at 220 W. Mulberry to consider the following:

1. **CALL TO ORDER**
2. **APPROVE MINUTES OF THE FEBRUARY 21, 2023 CAPITAL IMPROVEMENTS ADVISORY COMMITTEE MEETING**
3. **REVIEW AND CONSIDER THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE QUARTERLY REPORT FOR 2023.**
4. **ADJOURNMENT**

By direction of the Capital Improvements Advisory Committee (CIAC) of the City of Sherman.

Clay Mahone, Chairman

ATTEST: Rob Rae, Secretary

Meetings of this advisory board are open to the public.

Note: The above agenda schedule represents an estimate of the order for the indicated items and is subject to change at any time

In accordance with the Texas Open Meetings Act, Chapter 551 of the Texas Government Code, the Capital Improvements Advisory Committee (CIAC) may hold an executive session if the discussion of any of the items identified in this agenda, or any of the items identified below, concern one or more of the following:

Tex. Gov't Code § 551.071

Seeking the advice of its attorney about pending or contemplated litigation, settlement offers or any matter in which the duty of the attorney to the Capital Improvements Advisory Committee (CIAC) under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act.

## **Certification**

I, the undersigned authority, do hereby certify that the above Agenda of the Regular Meeting of the Board of Adjustments and Planning and Zoning Commission of the City of Sherman is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice on the bulletin board, at City Hall, of said City of Sherman, Texas, a place convenient to the public and said notice was posted on April 13, 2023 at 4:00 P.M. and said time of posting was 72 hours before said meeting was convened or called to order.

Dated this 13th day of April  
City of Sherman, Texas

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Lauren Marlow,  
Development Services Coordinator





**Capital Improvements Advisory Committee  
(CIAC)**

**2.**

**Meeting Date:** 04/18/2023

**Prepared By:** Lauren Marlow, Development Services Coordinator

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**Issue:**

**APPROVE MINUTES OF THE FEBRUARY 21, 2023 CAPITAL IMPROVEMENTS ADVISORY  
COMMITTEE MEETING**

**List of Agenda Items:**

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**Attachments**

2023-02-21 Draft Minutes

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STATE OF TEXAS §

February 21, 2023

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the Capital Improvements Advisory Committee (CIAC) of the City of Sherman, was begun and held on February 21, 2023.

MEMBERS PRESENT: CHAIRMAN MAHONE  
COMMITTEE MEMBERS: DOWNTAIN, DAVIS, SIMS,  
MANLEY, WHITAKER, BLAGG AND BACA

MEMBERS ABSENT: NONE

STAFF PRESENT: ROB RAE, DIRECTOR OF DEVELOPMENT SERVICES,  
MARY LAWRENCE, DIRECTOR OF FINANCE. KERRI  
TURNER, DEVELOPMENT SERVICES COORDINATOR,  
LAUREN MARLOW, DEVELOPMENT SERVICES  
ADMINISTRATIVE ASSISTANT.

CITY ATTORNEY: ALICESON COTTON

CALL TO ORDER  
Chairman Mahone of the Capital Improvement Advisory  
Committee called the meeting to order at 4:02 p.m.

CALL TO ORDER

APPROVE MINUTES

The Capital Improvements Advisory Committee reviewed the minutes of the August 16, 2022 meeting. Motion by Commission Member Davis to approve the Minutes as written. Second by Commission Member Whitaker. All present voted AYE.  
MOTION CARRIED.

APPROVE MINUTES

REVIEW AND CONSIDER THE CAPITAL IMPROVEMENTS  
ADVISORY COMMITTEE SEMI-ANNUAL REPORT FOR 2023

Rob Rae, Director of Development Services provided an overview of the impact fee revenue year to date.

REVIEW &  
CONSIDER THE CIAC  
SEMI-ANNUAL  
REPORT FOR 2023

Mr. Rae explained, "We are required by state law to have a Capital Improvements Advisory Committee (CIAC) meeting every six months to go over finances and the revenue that has been generated through the impact fees and to review the study and see if any changes need to take place."

Mr. Rae presented the following:



# Capital Improvements Advisory Committee

City of Sherman

February 21, 2023

# Background



- Sept. 21, 2020 – Impact Fee Ordinance Approved
- June 7, 2021 – Effective Date of Impact Fee
  - 1 year grace period began
- June 7, 2022 – Grace Period Over
- September 6, 2022 – Updated Impact Fee Ordinance
- January 1, 2023 – New Collection Rate Begins

# Impact Fee Comparison: 2020 Adopted and 2022 Maximum



| Impact Fee |     | 2020 Adopted       |                     | 2022 Minor Update  |                      |
|------------|-----|--------------------|---------------------|--------------------|----------------------|
|            |     | Maximum Assessable | Adopted (% of Max.) | Maximum Assessable | Council Action       |
| Water      |     | \$4,478            | \$1,000 (22.3%)     | \$6,807            | \$4,084 (60% of Max) |
| Wastewater |     | \$657              | \$500 (76%)         | \$2,149            | \$1,289 (60% of Max) |
| Roadway    | SA1 | \$374              | \$336.70 (90%)      | \$380              | \$228 (60% of Max)   |
|            | SA2 | \$527              | \$336.70 (63.9%)    | \$1,250            | \$750 (60% of Max)   |
|            | SA3 | \$748              | \$336.70 (45%)      | \$987              | \$592 (60% of Max)   |
|            | SA4 | \$608              | \$336.70 (55.4%)    | \$793              | \$476 (60% of Max)   |

# Results:

## Sample Calculations



### Max Assessable Impact fee

Determine the maximum assessable fee per service unit:

| LAND USE                                   | DEVELOPMENT UNITS  | NUMBER OF UNITS | SERVICE UNITS | SA 1      | SA 2      | SA 3      | SA 4      | Water          | WW             | TOTAL (SA 4) |
|--------------------------------------------|--------------------|-----------------|---------------|-----------|-----------|-----------|-----------|----------------|----------------|--------------|
| Single-Family Detached Housing (ITE #210)  | Dwelling Units     | 1               | 2.97          | \$1,129   | \$3,715   | \$2,931   | \$2,355   | \$6,807 (3/4") | \$2,149 (3/4") | \$11,311     |
| Multi-Family (Mid-Rise) Housing (ITE #221) | Dwelling Units     | 250             | 1.32          | \$125,400 | \$412,830 | \$325,710 | \$261,690 | \$79,438 (3")  | \$25,079 (3")  | \$366,207    |
| Office (ITE #710)                          | 5,000 Square Feet  | 5               | 3.45          | \$6,555   | \$21,580  | \$17,026  | \$13,679  | \$11,368 (1")  | \$3,589 (1")   | \$28,636     |
| Industrial (ITE #110)                      | 50,000 Square Feet | 50              | 3.16          | \$60,040  | \$197,658 | \$155,946 | \$125,294 | \$79,438 (3")  | \$25,079 (3")  | \$229,811    |
| Retail Strip Center (ITE #820)             | 10,000 Square Feet | 10              | 7.03          | \$26,714  | \$87,945  | \$69,386  | \$55,748  | \$36,281 (2")  | \$11,454 (2")  | \$103,483    |



# Results:

## Sample Calculations



**Council Action 60% of Max**

Determine the maximum assessable fee per service unit:

| LAND USE                                   | DEVELOPMENT UNITS  | NUMBER OF UNITS | SERVICE UNITS | SA 1     | SA 2      | SA 3      | SA 4      | Water          | WW             | TOTAL (SA 4)                      |
|--------------------------------------------|--------------------|-----------------|---------------|----------|-----------|-----------|-----------|----------------|----------------|-----------------------------------|
| Single-Family Detached Housing (ITE #210)  | Dwelling Units     | 1               | 2.97          | \$677    | \$2,229   | \$1,759   | \$1,413   | \$4,084 (3/4") | \$1,289 (3/4") | \$6,786                           |
| Multi-Family (Mid-Rise) Housing (ITE #221) | Dwelling Units     | 250             | 1.32          | \$75,240 | \$247,698 | \$195,426 | \$157,014 | \$47,663 (3")  | \$15,047 (3")  | \$219,694<br>Or<br>\$879/<br>unit |
| Office (ITE #710)                          | 5,000 Square Feet  | 5               | 3.45          | \$3,933  | \$12,948  | \$10,216  | \$8,207   | \$6,821 (1")   | \$2,153 (1")   | \$17,181                          |
| Industrial (ITE #110)                      | 50,000 Square Feet | 50              | 3.16          | \$36,024 | \$118,595 | \$93,568  | \$75,176  | \$47,663 (3")  | \$15,047 (3")  | \$137,886                         |
| Retail Strip Center (ITE #820)             | 10,000 Square Feet | 10              | 7.03          | \$16,028 | \$52,767  | \$41,632  | \$33,449  | \$21,769 (2")  | \$6,872 (2")   | \$62,090                          |

# Impact Fee Revenue



City of Sherman  
Impact Fee Revenue  
July 31, 2022

| Fund Name                  | Account Name       | Revenue      |               |               |
|----------------------------|--------------------|--------------|---------------|---------------|
|                            |                    | YE 9/30/2021 | 9 ME 7/31/22  | Total         |
| Roadway Impact Fee Zone #1 | Roadway Impact Fee | \$ -         | \$ 1,725.60   | \$ 1,725.60   |
| Roadway Impact Fee Zone #2 | Roadway Impact Fee | \$ -         | \$ 76,743.00  | \$ 76,743.00  |
| Roadway Impact Fee Zone #3 | Roadway Impact Fee | \$ 1,056.00  | \$ 24,710.24  | \$ 25,766.24  |
| Roadway Impact Fee Zone #4 | Roadway Impact Fee | \$ -         | \$ 18,000.00  | \$ 18,000.00  |
| Total Roadway Impact Fees  |                    | \$ 1,056.00  | \$ 121,178.84 | \$ 122,234.84 |
| Water Impact Fee Fund      | Water Impact Fee   | \$ -         | \$ 79,298.06  | \$ 79,298.06  |
| Sewer Impact Fee Fund      | Sewer Impact Fee   | \$ -         | \$ 43,871.00  | \$ 43,871.00  |
| Total Impact Fees          |                    | \$ 1,056.00  | \$ 244,347.90 | \$ 245,403.90 |

# Impact Fee Revenue



City of Sherman  
Impact Fee Revenue  
January 31, 2023

| Fund Name                  | Account Name       | YE 9/30/2021 | YE 9/30/22      | 4 ME 1/31/2023 | Total           |
|----------------------------|--------------------|--------------|-----------------|----------------|-----------------|
| Roadway Impact Fee Zone #1 | Roadway Impact Fee | \$ -         | \$ 5,725.60     | \$ 500.00      | \$ 6,225.60     |
| Roadway Impact Fee Zone #2 | Roadway Impact Fee | \$ -         | \$ 90,743.00    | \$ 164,721.46  | \$ 255,464.46   |
| Roadway Impact Fee Zone #3 | Roadway Impact Fee | \$ 1,056.00  | \$ 25,460.24    | \$ 15,660.61   | \$ 42,176.85    |
| Roadway Impact Fee Zone #4 | Roadway Impact Fee | \$ -         | \$ 2,106,540.00 | \$ 24,000.00   | \$ 2,130,540.00 |
| Total Roadway Impact Fees  |                    | \$ 1,056.00  | \$ 2,228,468.84 | \$ 204,882.07  | \$ 2,434,406.91 |
| Water Impact Fee Fund      | Water Impact Fee   | \$ -         | \$ 703,708.06   | \$ 186,165.56  | \$ 889,873.62   |
| Sewer Impact Fee Fund      | Sewer Impact Fee   | \$ -         | \$ 356,076.00   | \$ 87,311.04   | \$ 443,387.04   |
| Total Impact Fees          |                    | \$ 1,056.00  | \$ 3,288,252.90 | \$ 478,358.67  | \$ 3,767,667.57 |

# Today's Actions



- Receive Feedback from CIAC on Impact Fee Updates

Commission Member Davis asked Mr. Rae, “Do we have a projection for what our first quarter is going to be under normal full implementation, no big project?”

Mr. Rae replied to Commission Member Davis, “We could make assumptions based on single family usage but based on history and the last couple years, it would be hard to do that for any other project.”

Commission Member Davis asked Mr. Rae, “Are we happy with these numbers? It is hard to make a recommendation if we don’t know if this is good or bad?”

Mr. Rae replied to Commission Member Davis, “There is still some data to collect, we still don’t have a full year outside the grace period of data, and we don’t have a full year with the new collection from January 1, 2023.”

Commission Member Manley stated, “We don’t have enough data right now to say whether we should increase or decrease.”

Chairman Mahone replied to Commission Member Manley, “I agree with you on that.”

Commission Member Sims asked Mr. Rae, “Do we have to wait another six months to meet?”

Mr. Rae replied to Commission Member Sims, “I don’t know if we can meet more than that. I assume that we could.”

Commission Member Davis stated, “It seems like six months was a required minimum.”

Chairman Mahone asked Mr. Rae, “Would you like to put a pin in this for every quarter? If we are allowed to meet in 3 months, I’d like to.”

Mr. Baca asked Mr. Rae, “Do you have the numbers for just January?”

Ms. Lawrence replied to Mr. Baca, “No, not with me.”

Mr. Baca stated, “I am curious to see what the amount was for January because that is the only one that reflects the new rate.”

Mr. Rae replied to Mr. Baca, “That is correct.”

Vice Chairman Downtain asked Mr. Rae, “Is it possible to format this data for the next meeting to be broken down by Residential, Industrial, Retail, etc.?”

Chairman Mahone stated, “Or just know the numbers on the big projects?”

Ms. Lawrence replied to Chairman Mahone, “You can kind of tell by the dollar amount whether it is single family or multi-family.”

Chairman Mahone replied to Ms. Lawrence, “I am not opposed to seeing that also if we saw the total and maybe a second slide saying without GlobalWafers and Texas Instruments, this is what it would have looked like.”

Commission Member Blagg asked Mr. Rae, “Are we trying to tax as much as we can? If it doesn’t get collected through this, then it goes to the Bond Market?”

Mr. Rae replied to Commission Member Blagg, “Impact Fees are meant to offset the cost of infrastructure from new development and if Impact Fees don’t exist than essentially what happens is that all that new infrastructure that is required is paid for through tax payers.”

Mr. Rae stated, “When we originally did this in 2020, there was no discussion of Texas Instruments, it was all for growth.”

Commission Member Blagg asked Mr. Rae, “What do we do as a city when the developments stall out, we aren’t collecting Impact Fees. Does that affect us starting these projects?”

Mr. Rae replied to Commission Member Blagg, “It may or may not, remember the purpose of Impact Fees is development pays for development.”

Commission Member Manley asked Mr. Rae, “Do we need to make a motion?”

Mr. Rae replied to Commission Member Manley, “There is no requirement to take action, what I have heard from you all if that you’d like to meet in three months.

**ACTION TAKEN.**

Motion by Commission Member Blagg to approve the Land Use Assumptions and the Capital Improvement Plan (CIP) as presented. Second by Commission Member Davis.

Mr. Rae asked Chairman Mahone, “Are you wanting to meet in April so you can see the first quarter results?”

Chairman Mahone replied to Mr. Rae, “Yes that would be good.”

Mr. Rae stated, “Okay we will schedule the next Capital Improvements Advisory Committee (CIAC) meeting in April before the Planning and Zoning Commission meeting and we will break down by month and use type, single family, multi-family, commercial and industrial to see how that break down happens.”

The Capital Improvements Advisory Committee (CIAC) meeting will be followed up on April 21, 2023, at 4:00 p.m.

**ADJOURNMENT**

On Motion duly made and carried, the meeting adjourned at 4:34 p.m.

ADJOURNMENT

\_\_\_\_\_  
CHAIRMAN



\_\_\_\_\_  
SECRETARY



**Capital Improvements Advisory Committee  
(CIAC)**

**3.**

**Meeting Date:** 04/18/2023

**Prepared By:** Lauren Marlow, Development Services Coordinator

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**Issue:**

**REVIEW AND CONSIDER THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE  
QUARTERLY REPORT FOR 2023.**

**List of Agenda Items:**

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**Attachments**

Impact Fee Revenue Summary

Impact Fee Revenue Summary - Finance

Permits/Impact Fee Chart

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## **IMPACT FEE SUMMARY**

Quarter 1 - 2023

|                                  | January            | February           | March               | Total               |
|----------------------------------|--------------------|--------------------|---------------------|---------------------|
| Roadway Impact Fee Zone #1       | 0                  | \$27,412.00        | \$8,421.00          | \$35,833.00         |
| Roadway Impact Fee Zone #2       | \$15,000.00        | \$6,260.00         | \$296,405.00        | \$317,665.00        |
| Roadway Impact Fee Zone #3       | \$3,519.71         | \$1,320.00         | \$1,320.00          | \$6,159.71          |
| Roadway Impact Fee Zone #4       | \$6,652.00         | \$7,065.00         | \$501,387.00        | \$515,104.00        |
| <b>Total Roadway Impact Fees</b> | <b>\$25,171.71</b> | <b>\$42,057.00</b> | <b>\$807,533.00</b> | <b>\$874,761.71</b> |

|                          |                     |                  |                       |                       |
|--------------------------|---------------------|------------------|-----------------------|-----------------------|
| Water Impact Fee         | \$137,164.00        | \$52,327.00      | \$857,260.00          | \$1,046,751.00        |
| Sewer Impact Fee         | \$58,605.29         | \$12,828.00      | \$174,489.00          | \$245,922.29          |
| <b>Total Impact Fees</b> | <b>\$220,941.00</b> | <b>\$107,212</b> | <b>\$1,839,282.00</b> | <b>\$2,167,435.00</b> |

|              | Single Family       | Multi-Family        | Commercial         | Industrial            |
|--------------|---------------------|---------------------|--------------------|-----------------------|
| January      | \$77,616.00         | \$143,325.00        | 0                  | 0                     |
| February     | \$63,401.00         | 0                   | \$43,811.00        | 0                     |
| March        | \$145,652.00        | \$614,455.00        | \$23,037.00        | \$1,056,138           |
| <b>Total</b> | <b>\$286,669.00</b> | <b>\$757,780.00</b> | <b>\$66,848.00</b> | <b>\$1,056,138.00</b> |

**City of Sherman**  
**Impact Fee Revenue**  
**March 31, 2023**

| <b>Fund Name</b>           | <b>Account Name</b> | <b>YE 9/30/2021</b> | <b>YE 9/30/22</b>      | <b>Oct 1, 2022 - Dec 31, 2022</b> | <b>Jan 1, 2023- March 31, 2023</b> | <b>Total</b>           |
|----------------------------|---------------------|---------------------|------------------------|-----------------------------------|------------------------------------|------------------------|
| Roadway Impact Fee Zone #1 | Roadway Impact Fee  | \$ -                | \$ 5,725.60            | \$ 500.00                         | \$ 31,751.00                       | \$ 37,976.60           |
| Roadway Impact Fee Zone #2 | Roadway Impact Fee  | \$ -                | \$ 90,743.00           | \$ 149,721.46                     | \$ 320,162.00                      | \$ 560,626.46          |
| Roadway Impact Fee Zone #3 | Roadway Impact Fee  | \$ 1,056.00         | \$ 25,460.24           | \$ 12,140.90                      | \$ 5,719.71                        | \$ 44,376.85           |
| Roadway Impact Fee Zone #4 | Roadway Impact Fee  | \$ -                | \$ 2,106,540.00        | \$ 23,000.00                      | \$ 516,659.00                      | \$ 2,646,199.00        |
| Total Roadway Impact Fees  |                     | \$ 1,056.00         | \$ 2,228,468.84        | \$ 185,362.36                     | \$ 874,291.71                      | \$ 3,289,178.91        |
| Water Impact Fee Fund      | Water Impact Fee    | \$ -                | \$ 703,708.06          | \$ 161,997.56                     | \$ 1,043,646.00                    | \$ 1,909,351.62        |
| Sewer Impact Fee Fund      | Sewer Impact Fee    | \$ -                | \$ 356,076.00          | \$ 77,998.75                      | \$ 245,101.29                      | \$ 679,176.04          |
| <b>Total Impact Fees</b>   |                     | <b>\$ 1,056.00</b>  | <b>\$ 3,288,252.90</b> | <b>\$ 425,358.67</b>              | <b>\$ 2,163,039.00</b>             | <b>\$ 5,877,706.57</b> |

|                          |              |
|--------------------------|--------------|
| Water                    | \$ 1,909,352 |
| Large Payments (> \$10k) | \$ 1,577,877 |
| Net of Large Payments    | \$ 331,475   |

|                          |            |
|--------------------------|------------|
| Sewer                    | \$ 679,176 |
| Large Payments (> \$10k) | \$ 557,137 |
| Net of Large Payments    | \$ 122,039 |

|                          |              |
|--------------------------|--------------|
| Roadway                  | \$ 3,289,179 |
| Large Payments (> \$10k) | \$ 1,035,888 |
| Net of Large Payments    | \$ 2,253,291 |

# Single-Family Residential Permits vs Impact Fees Collected City of Sherman June 2021 - March 2023

