



May 22, 2012

MEMORANDUM

To: Mayor and City Council

From: Christine M. Fisher, AICP, Senior Long Range Planner *CWF*

RE: Amendment of the City's Capital Improvement Plan and Impact Fee Ordinance

In March 2003, the City adopted a Capital Improvements Plan (CIP) and established an impact fee ordinance intended to help offset the additional costs necessary to provide water, wastewater, and fire services to new development. Funds collected through impact fees are levied in anticipation of use, expanding the capacity of existing services to handle additional demand. State law requires periodic review and updates of the capital improvements plan and impact fees. As such, Rock Hill has amended its CIP and impact fee ordinance on two separate occasions: to add the construction and upfit of Fire Station #6 (May 2005) as well as to relocate and construct Fire Station #3 and extend the planning period for identified projects (June 2008). The current CIP and impact fee ordinance is set to expire on July 1, 2012 and must be updated for the City to continue implementing the impact fee program beyond fiscal year 2012.

As shown in the table below, previous projections anticipated that the City would recoup approximately \$14.3 million in impact fees by fiscal year 2012 towards repayment of \$50.8 million in capital improvement projects. However, recent declines in development activity have significantly affected impact fee revenues and a \$3.3 million shortfall has resulted. The outstanding debt service on completed capital projects initiated to serve new development still needs to be repaid through impact fees. Customers from new development should continue to pay a portion of the capital improvement costs incurred to serve them.

Impact fee revenues are also needed to fund proposed capital improvement projects. An estimated \$1.6 million in Water and Sewer Capital Improvement Projects are planned to be completed over the next four years to meet the demands of new growth. This will be funded through collection of nearly \$3 million in projected impact fees over



CITY OF ROCK HILL

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the same time period. There are currently no plans to expand City fire services with new stations or other capital expenditures between now and fiscal year 2016; however, it is likely that future growth may justify the need for an additional station or stations in the next five to ten years. In addition, significant capital improvements to and expansion of wastewater treatment facilities may be needed as early as fiscal year 2017.

Impact Fee Assessment

	<i>FY</i> <i>2002-2012</i>	<i>FY</i> <i>2013-2016</i>	<i>Total</i> <i>FY2002-2016</i>
<i>CIP Costs for Expansion</i>	\$50,810,931	\$1,629,988	\$52,440,919
<i>Projected Impact Fees</i>	\$14,340,583	\$2,915,693	\$13,963,786
<i>Actual Impact Fees Collected</i>	\$11,048,093	n/a	n/a
<i>Shortfall</i>	\$3,292,490	n/a	n/a
<i>Balance Owed</i> <i>(excluding interest)</i>	\$39,762,838	(\$1,285,705)	\$38,477,133

In summary, extension of the impact fee program is important as the City relies on these funds to offset existing capital debt as well as finance bonds for future capital improvement projects constructed to accommodate new growth. Staff recommends a revision to the CIP schedules, which includes updating the project lists and costs, as well as an extension of the current impact fee program. It is also recommended that the amended CIP remain effective until July 1, 2016 or earlier, if any additional amendments are recommended by the Planning Commission and approved by City Council. Staff also recommends maintaining the same impact fee structure that was approved in 2003.

On May 1, the Planning Commission considered a recommendation to City Council on the amendment to the CIP schedules and continuation of all impact fees at the rates approved by Council in early 2003. The Planning Commission voted unanimously to recommend the amended CIP schedules and continuation of impact fees at the current rate structure.

Attachments: CIP Schedules
Impact Fee Revenue Projections

**Schedule I-A
The City of Rock Hill Impact Fee Study
Water Capital Improvement Projects**

Projects	Funding Source	Percent Expansion	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total FY02-12	FY2013	FY2014	FY2015	FY2016	Total FY13-16	FY2017
Water Transmission Component																				
Conversion of Small Diameter Pipelines	Operating Budget	0%	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$120,000	\$342,212	\$350,000				\$2,062,212					\$2,062,212	
Dave Lyle 16 inch Water Main Extension, 12 inch Red River Tie-In	Operating Budget	0%		\$108,200	\$133,300									\$241,500					\$241,500	
Anderson Road/Elden Terrace Water Lines	Operating Budget	0%		\$110,000										\$110,000					\$110,000	
Homeslead 12 inch Water Main Extension	Operating Budget	0%		\$114,000										\$114,000					\$114,000	
Church/Neely Road Water Extension	Revenue Bonds	100%							\$1,500,000					\$1,500,000					\$1,500,000	
SC72 Water Extensions	Operating Budget	0%			\$140,000									\$140,000					\$140,000	
McConnells Hwy 12"/Meadowlakes 8"	Revenue Bonds	0%								\$274,500				\$274,500					\$274,500	
Hollis Lakes Road 12" Water Main	Operating Budget	0%								\$274,500				\$274,500					\$274,500	
Fort Mill Water Connection II	Operating Budget	0%					\$265,000							\$265,000					\$265,000	
Homeslead Road Water Lines	Revenue Bonds	100%												\$625,000					\$625,000	
Ogden Road Water Line Tie-In	Operating Budget	0%		\$150,000										\$150,000					\$150,000	
Saluda Street Water Line	Operating Budget	0%	\$150,000											\$150,000					\$150,000	
Water Plant Exterior Improvements	Operating Budget	0%						\$405,000	\$525,000					\$930,000					\$930,000	
Paint Elevated Laurel Street Tank (inside only)	Operating Budget	0%								\$110,500				\$110,500					\$110,500	
Paint Elevated Herlong Tank (inside/outside)	Operating Budget	0%								\$225,000				\$225,000					\$225,000	
High Service Pump Maintenance	Operating Budget	0%									\$525,000			\$525,000					\$525,000	
Highway 5 Water Line Extension	Operating Budget	0%										\$525,000		\$525,000					\$525,000	
Paint Elevated Highland Park Tank (inside/outside)	Operating Budget	0%										\$225,000		\$225,000					\$225,000	
City of York Water Line Connection	Operating Budget	0%										\$1,125,000		\$1,125,000					\$1,125,000	
Paint Elevated Herlong Tank	Operating Budget	0%																\$230,000	\$230,000	
Water System Distribution Feeder Upgrades	Operating Budget	0%																\$230,000	\$230,000	
Hwy 322 Water Line (Meadowlakes to Eastview)	Operating Budget	100%												\$86,416	\$86,416	\$105,584			\$192,000	
Small Diameter Water Lines	Operating Budget	0%												\$300,000	\$300,000	\$99,811			\$399,811	
Paint Elevated Highland Park Tank	Operating Budget	0%												\$430,000	\$430,000				\$430,000	
Eastview Road Loop (Hwy 322 to Plantation Hills)	Operating Budget	100%														\$880,000			\$880,000	
Eastview Road Loop Tie (Plantation to Adnah Church)	Operating Budget	100%																\$900,000	\$900,000	
Hwy 5 Loop Tie (Adnah Church to Tools Fork Creek)	Operating Budget	100%																\$900,000	\$900,000	
Other Water Projects	Operating Budget	0%																\$256,000	\$256,000	
16" Line from Plant to Tank	Operating Budget	0%																\$500,000	\$500,000	
Install Altitude Valves & Equipment Housing at Highland and Herlong Tanks	Operating Budget	0%												\$160,000	\$160,000				\$160,000	
Electrical/Pump/Drive/SCADA for Raw Water Intake	Operating Budget	0%												\$33,603	\$33,603			\$875,000	\$908,603	
Alarm/Notification System	Operating Budget	0%												\$525,000	\$525,000				\$525,000	
High Service Pump Maintenance-Magna Drive to Pump #6	Operating Budget	0%																		
Surface Flocculation System	Operating Budget	0%																		
Water Plant Expansion	Operating Budget	100%													\$33,604	\$315,000			\$348,604	
Replace High Service Pump #4	Operating Budget	0%														\$560,000			\$560,000	
BAN/Bond Issue Projects																				
SC72 Water Extensions	Revenue Bonds	0%							\$190,000					\$190,000					\$190,000	
Fort Mill Water Connection II (09/10)	Revenue Bonds	0%							\$265,000					\$265,000					\$265,000	
24" Mt. Gallant Water Line	Revenue Bonds	0%							\$500,000					\$500,000					\$500,000	
City of York Water Line Connection	Revenue Bonds	0%												\$925,000					\$925,000	
Lesslie Water Tank Distribution Line Improvements	Revenue Bonds	100%												\$1,068,000					\$1,068,000	
Water Storage Facilities Component																				
Northwest Water Tank - 1MG	Revenue Bonds	100%	\$250,000		\$1,250,000			\$329,526		\$1,829,526				\$3,659,052					\$3,659,052	
Replace Laurel Tank	Revenue Bonds	100%												\$1,800,000					\$1,800,000	
Laurel Tank Property Purchase	Revenue Bonds	100%												\$200,000					\$200,000	
Laurel Tank Distribution Line Upgrade	Revenue Bonds	100%												\$500,000					\$500,000	
Water Treatment Component																				
Water Plant Sludge Withdrawal System and Plant Improvements	Revenue Bonds	0%	\$1,890,000							\$1,890,000				\$3,780,000					\$3,780,000	
Filter Table Upgrades	Operating Budget	0%	\$125,000							\$125,000				\$250,000					\$250,000	
Auxiliary Feed-Backup Generator	Revenue Bonds	0%	\$1,500,000							\$1,500,000				\$3,000,000					\$3,000,000	
Water Treatment Plant Upgrade: 24MGD to 36MGD	Revenue Bonds	100%	\$150,000	\$6,500,000	\$7,348,000	\$1,042,000	\$1,330,364							\$16,370,364					\$16,370,364	
Water Source & Supply Component																				
Convert Lake Wylie 30" Raw Water to Finished Water	Revenue Bonds	100%							\$1,300,000	\$1,300,000				\$2,600,000					\$2,600,000	
Lake Wylie Raw Water Intake Upgrade (Electric/SCADA)	Revenue Bonds	100%													\$1,000,000				\$1,000,000	
Lake Wylie Raw Water Intake Upgrade	Revenue Bonds	100%												\$700,000					\$700,000	
PAC System	Revenue Bonds	0%																		
Water Re-Use	Revenue Bonds	0%																		
Raw Water Pump Station (Lake Location)	Revenue Bonds	0%							\$1,500,000					\$1,500,000					\$1,500,000	
Catawba River Pump Station Water Line	Revenue Bonds	0%							\$3,500,000					\$3,500,000					\$3,500,000	

Totals (Water Projects): \$4,315,000 \$7,232,200 \$9,121,300 \$1,292,000 \$1,845,364 \$854,526 \$9,622,212 \$7,879,026 \$1,150,000 \$1,875,000 \$11,228,019 \$56,414,647 \$2,418,999 \$1,331,000 \$1,731,000 \$1,905,000 \$7,385,999 \$1,731,000

Total Water CIP Attributed to Expansion: \$30,408,832

\$739,188 \$0

**Schedule I-B
The City of Rock Hill Impact Fee Study
Waste Water Capital Improvement Projects**

Projects	Funding Source	Percent Expansion	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	Total FY02-12	FY2013	FY2014	FY2015	FY2016	Total FY13-16	FY2017
Waste Water Collection Component																				
Chestnut/Albright Sewer Replacement	Revenue Bonds	0%	\$341,500											\$341,500						
Eastwood Sewer Replacement	Revenue Bonds/Operating Budget	0%	\$102,000											\$102,000						
Stoney Branch Sewer Replacement	Revenue Bonds	0%				\$700,000								\$700,000						
Restore/Abandon Industrial Sewer Lines	Operating Budget	0%										\$2,000,000		\$2,000,000						
Forest Hills Pump Station	Revenue Bonds	0%	\$220,000											\$220,000						
Firetower Road Gravity Sewer Extension	Revenue Bonds/School District III	0%	\$125,000	\$350,000										\$475,000						
Burgis Creek Sewer Basin Sewer Extension	Revenue Bonds	0%									\$1,354,919			\$1,354,919						
Dutchman Creek Pump Station-6MGD	Revenue Bonds	75%		\$2,200,000										\$7,903,332						
Sewer Line Replacement Program	Operating Budget	0%	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$5,703,332					\$1,000,000						
Sewer Creek Crossing and Rehabilitation	Revenue Bonds	0%		\$250,000	\$250,000	\$250,000	\$250,000							\$1,000,000						
India Hook Hills Gravity Sewer	Revenue Bonds/York County Reimbursement	75%	\$5,200,000	\$4,316,000										\$9,516,000						
Rollingwood Sewer	Operating Budget	0%								\$1,503,800				\$1,503,800						
Manchester Creek Outfall Replacement	Operating Budget	0%									\$1,503,800	\$1,258,719		\$2,762,519						
Shadowbrook Sewer	Operating Budget	0%									\$400,000			\$400,000						
Manchester Creek Basin Sewer Line Replacements	Operating Budget	0%												\$5,019,900	\$2,000,000	\$1,019,900	\$0	\$1,000,000	\$4,019,900	\$1,000,000
White Street Sewer Improvements (Wildcat Basin)	Operating Budget	0%											\$247,000	\$247,000						
Restore/Abandon Industrial Lines (Crest/Piedmont)	Operating Budget	0%											\$661,162	\$661,162						
Rollingwood Pump Station Retirement	Operating Budget	0%											\$500,000	\$500,000						
Arcade Mill Sewer Upgrade (Mill to Rauch and Reynolds)	Operating Budget	0%											\$400,000	\$400,000						
Wildcat Creek Basin Sewer Line Replacements	Operating Budget	0%												\$5,019,900	\$2,000,000	\$1,019,900	\$1,000,000	\$4,019,900	\$1,000,000	
Lift Station Retirements	Operating Budget	0%												\$1,595,423	\$460,423	\$940,000	\$195,000	\$1,595,423	\$1,595,423	
Dutchman Creek Sewer Line Improvements	Operating Budget	0%												\$3,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000	\$1,000,000	
Restore/Abandon Industrial Lines	Operating Budget	0%												\$2,554,800			\$995,200	\$679,800	\$1,675,000	\$879,800
Burgis Creek Sewer Basin Sewer Ext.	Operating Budget	0%												\$1,194,800			\$1,194,800	\$679,800	\$1,194,800	
Extension on Stewart	Operating Budget	0%												\$405,000			\$405,000	\$679,800	\$405,000	
Extension on White-Arcade Mill Ph II	Operating Budget	0%												\$1,800,000	\$1,223,000	\$577,000	\$1,223,000	\$1,800,000	\$1,223,000	
Other Sewer Upgrade Projects	Operating Budget	0%												\$2,882,200			\$436,200	\$1,223,000	\$1,659,200	\$1,223,000
Wildcat Liftstation Odor Control (Engineering)	Operating Budget	0%											\$750,000	\$750,000						
dataVoice IVR (Sewer Portion)	Operating Budget	0%											\$100,000	\$100,000						
Liftstation Control Project	Operating Budget	0%												\$750,000	\$750,000					
BAN/Bond Issue Projects																				
Pump Station Abandonment Projects	Revenue Bonds	0%							\$643,400					\$643,400						
Glencairn Garden Sewer	Revenue Bonds	0%							\$500,000					\$500,000						
Sewer Line Replacements	Revenue Bonds	0%							\$4,000,000				\$10,000,000	\$14,000,000						
Manchester Creek Outfall Replacement Phase	Revenue Bonds	0%											\$980,884	\$980,884						
Manchester Creek Outfall Replacement	Revenue Bonds	0%											\$568,000	\$568,000						
Lucas/Oak Sewer Industrial Line Rehab	Revenue Bonds	0%											\$611,764	\$611,764						
Manchester Creek Outfall Replacement Phase II	Revenue Bonds	0%																		
Manchester Treatment Component																				
Equipment Repair & Replacement	Operating Budget	0%	\$545,000	\$347,000	\$145,000	\$100,000	\$100,000							\$1,237,000						
Wastewater Treatment Plant -10MGD*	Revenue Bonds	-100%					\$2,000,000						\$44,000,000	\$46,000,000						
Wastewater Plant 20 to 30 MGD (Engineering)	Revenue Bonds	100%												\$60,000,000						\$60,000,000
Aerobic Digester Odor Control at MWWT	Revenue Bonds	0%												\$3,500,000						\$3,500,000
Manchester SCADA System	Operating Budget	0%	\$100,000											\$100,000						
Purchase Additional Property for WWTP Expansion	Operating Budget	100%											\$800,000	\$800,000						
Manchester Intermediate pump	Operating Budget	0%											\$450,000	\$450,000						
Manchester Valve Replacement	Operating Budget	0%											\$35,000	\$35,000						
Wastewater Plant 20 to 30 MGD (Engineering)	Operating Budget	100%												\$890,800			\$890,800		\$890,800	
Aerobic Digester Odor Control at MWWT (Engineering)	Operating Budget	0%												\$408,800			\$408,800		\$408,800	
Wastewater Disposal Component																				
Manchester Meadows Sludge Removal	Manchester Meadows	0%		\$225,000										\$225,000						
Totals (Waste Water Projects):			\$6,833,500	\$7,888,000	\$595,000	\$1,250,000	\$550,000	\$0	\$10,846,732	\$1,503,800	\$3,258,719	\$3,258,719	\$16,103,810	\$52,088,280	\$5,210,423	\$5,202,800	\$5,102,800	\$4,902,800	\$20,418,823	\$68,602,800

* Note: Project has been deferred due to economic conditions and replaced with next line item

Total Waste Water CIP Attributed to Expansion **\$13,864,499**

\$890,800 **\$60,000,000**

Schedule I-C
The City of Rock Hill Impact Fee Study
Fire Protection Capital Improvement Projects

Projects	Funding Source	Percent Attributed to Expansion	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Total FY02-12	FY 2013	FY 2014	FY 2015	FY 2016	Total FY13-16	
Fire Stations																				
Fire Station #5, Dave Lyle Galleria Mall Area	GO Bonds	100%	\$91,000	\$2,165,200										\$2,256,200					\$0	
Fire Station #2, Ladder Company- Cherry Rd.	GO Bonds	100%	\$372,000	\$890,000										\$1,262,000					\$0	
Future Station Land Acquisition	Operating Budget	100%		\$150,000										\$150,000					\$0	
Remodel Elizabeth Lane Station	GO Bonds	0%		\$235,000										\$235,000					\$0	
Remodel Mt. Gallant Substation	Operating Budget	0%				\$175,000								\$175,000					\$0	
Fire Station #6 (amendment 5/23/05)	GO Bonds	100%					\$1,000,000	\$1,000,000						\$2,000,000					\$0	
Fire Station #3 Relocation (amendment 6/08)	Operating Budget	35%								\$1,242,000	\$1,242,000			\$2,484,000					\$0	
Engines/Ladders/Vehicles																				
Ladder Truck- 100' Ladder	Operating Budget/Federal Grant	0%		\$825,000										\$0					\$0	
Fire Engine-Pumper 1500 GPM	Operating Budget	0%				\$500,000								\$825,000					\$0	
Haz Mat Vehicle	Operating Budget	0%			\$200,000									\$500,000					\$0	
														\$200,000					\$0	
Totals (Fire Projects):			\$463,000	\$4,265,200	\$200,000	\$675,000	\$1,000,000	\$1,000,000	\$0	\$1,242,000	\$1,242,000	\$0	\$0	\$10,087,200	\$0	\$0	\$0	\$0	\$0	
Total Fire CIP Attributed to Expansion:														\$6,537,600						\$0

Impact Fee Revenue Projections

	Fiscal Year															
	Actual								Estimated	Total	Projected				Total	Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	FY02-12	2013	2014	2015	2016	FY13-16	FY02-16
Total Impact Fee Revenues																
Water Impact Fee	\$ 427,340	\$ 596,410	\$ 501,127	\$ 544,444	\$ 208,688	\$ 202,198	\$ 102,412	\$ 104,856	\$ 150,000	\$ 2,837,475	\$ 178,500	\$ 180,285	\$ 182,088	\$ 183,909	\$ 724,782	\$ 3,562,257
Wastewater Impact Fee	\$ 681,415	\$ 939,872	\$ 796,992	\$ 823,400	\$ 426,708	\$ 321,160	\$ 228,035	\$ 165,775	\$ 225,000	\$ 4,608,357	\$ 283,500	\$ 286,335	\$ 289,198	\$ 292,090	\$ 1,151,123	\$ 5,759,480
Fire Protection Impact Fee	\$ 371,152	\$ 479,014	\$ 606,900	\$ 808,008	\$ 299,765	\$ 252,188	\$ 154,469	\$ 230,765	\$ 400,000	\$ 3,602,261	\$ 256,080	\$ 258,641	\$ 261,227	\$ 263,840	\$ 1,039,788	\$ 4,642,049
Total Revenues Projected	\$ 1,479,907	\$ 2,015,296	\$ 1,905,019	\$ 2,175,852	\$ 935,161	\$ 775,546	\$ 484,916	\$ 501,396	\$ 775,000	\$ 11,048,093	\$ 718,080	\$ 725,261	\$ 732,513	\$ 739,839	\$ 2,915,693	\$ 13,963,786