

**Memorandum**

**Memorandum No: 23-109**

**Date:** February 3, 2023  
**To:** Honorable Mayor and City Council  
**From:** Ryan Henderson, Interim City Manager   
**Re:** Fire Station 2 (2021 Capital Improvement Bond Program)

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**Background**

In 2021, the City of Anna neighbors approved Proposition A – Public Safety as part of the 2021 Capital Improvement Bond Program. Included as part of that proposition was the funding for Fire Station 2 to be located west of US-75 and north of FM-455 within the Villages of Hurricane Creek development. In 2022, the City of Anna contracted with Crossland Construction Company to design and build the new facility.

At the City Council Meeting on September 27, 2022, staff presented an update for Fire Station 2 as a Work Session item. During that update, staff presented the schematic design (Exhibit 1) and timeline (construction breaking ground in January 2023 with a completion date of March 2024) for Fire Station 2. Staff mentioned during the work session that a two-phased approach would need to be taken for the construction of the fire station as designed, with Phase 1 as the construction of a three-bay station, and Phase 2 finishing the facility in the future by adding three more bays. The rationale behind the project taking a phased approach was due to impact of rising construction costs on the original budget.

**Summary**

The construction costs to complete a three-bay Fire Station 2 is currently \$8 million dollars. The rise in the cost of the fire station from its budget of \$6.4 million dollars is heavily attributed to the inflationary increase in construction costs. Fire Station 2's budget was developed back in late 2019 and based off then market rates as well as the construction costs of Central Fire Station. Staff has worked diligently with Crossland Construction Company to narrow the gap over the past months as much as possible without sacrificing function or form.

Staff recommends the use of PID Fees to cover the current gap between budget and actual costs. The PID Fund, comprised of PID Fees paid by developers, are monies that can be used as one-time expenditures for the purpose of capital projects for the expansion of community services. Exhibit 2 is a memorandum

issued to Council outlining the reason for the use of PID Funds for capital projects and incorporating that designated purpose as part of the City's Financial Policies.

### **For Consideration**

As your Interim City Manager, I want to offer the possibility of completing Phase 2 now rather than doing so in the future. Fire Station 2 was planned and designed to serve as a six-bay station, in alignment with current long-term planning and the desire to increase response capabilities. A six-bay station provides flexibility for fleet inventory, allowing the fire department to reallocate fleet and personnel resources with greater ease. Fire Station 2 is in an area that is geographically centered within city limits, which lends itself to the concept of centralized logistics. The additional bays and large bulk storage areas will allow fire personnel to replenish supplies, inspect and maintain reserve apparatus, and migrate from out of service vehicles to reserve vehicles seamlessly. Constructing the facility as initially planned and designed not only meets the immediate and short-term needs of the fire department but also establishes a permanent resource that will support the agency well into the future.

There are compelling reasons to complete Phase 2 now rather than in the future. By the time staff comes back to Council for the allocation of funds to complete Phase 2, the cost of construction is expected to be even greater than it is now. Inflation is only expected to continue and completing Phase 2 now follows the philosophy of funding our needs today rather than deferring costs to a less certain future. Staff also recognizes the planned growth of the Hurricane Creek Village community and that by the time the City is ready to move forward with Phase 2, more homes with more neighbors will be residing near the fire station and will be impacted by the construction of Phase 2.

### **Conclusion**

If the City were to move forward with reincorporating Phase 2 now, the total amount requested through a budget amendment would be \$4.6 million dollars, which would come out of the PID Fund and without an impact to taxpayers. The timeline for completion of the project would be extended by two months to May 2024. Two budget amendments can appear on the next council agenda for consideration: one to cover the gap to complete just Phase 1 of Fire Station 2, and another to complete both phases now. Corresponding Guaranteed Maximum Prices (either for Phase 1 or for both Phases) can also be on the agenda.

If you have any questions, please feel free to contact me.

Attachments:

**Exhibit 1 – Fire Station 2 Schematic Design**

**Exhibit 2 – Memorandum 23-108 PID Fund Policy for Capital Projects**

- c. Ray Isom, Fire Chief
- Justin Clay, CIP Manager
- Terri Doby, Budget Manager
- Taylor Lough, Assistant City Manager
- Greg Peters, Interim Assistant City Manager

Carrie Land, City Secretary

# ANNA FIRE STATION No. 2

9.23.2022

STANDRIDGE BLVD  
ANNA, TEXAS

SCHEMATIC ELEVATION

1/8" = 1'-0"



**1** EAST ELEVATION - SD  
1/8" = 1'-0"



**2** NORTH ELEVATION - SD  
1/8" = 1'-0"

# ANNA FIRE STATION No. 2

9.23.2022

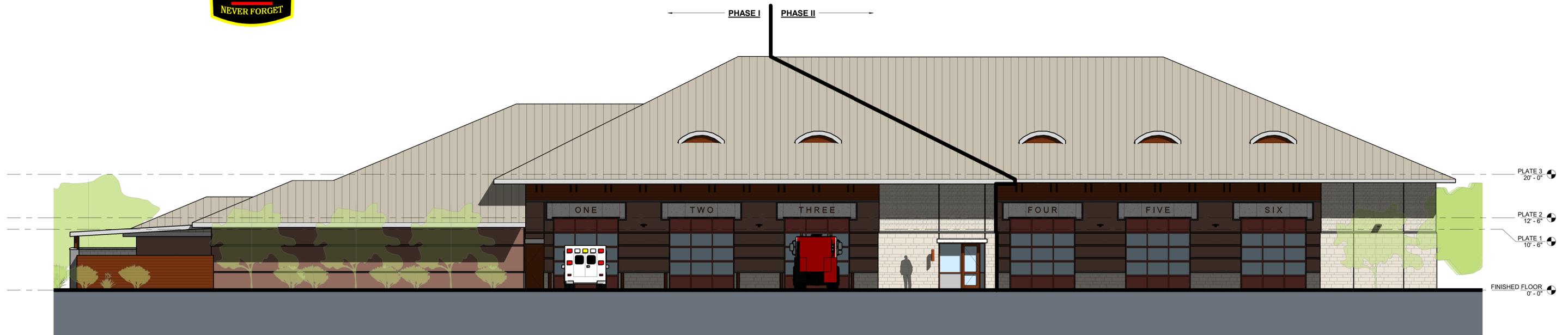
THE CITY OF  
**Anna**



STANDRIDGE BLVD  
ANNA, TEXAS

SCHEMATIC ELEVATION

1/8" = 1'-0"



**1** WEST ELEVATION - SD  
1/8" = 1'-0"



**2** SOUTH ELEVATION - SD  
1/8" = 1'-0"

# ANNA FIRE STATION No. 2

9.23.2022

STANDRIDGE BLVD  
ANNA, TEXAS

3D VIEWS

THE CITY OF  
**Anna**



**1** VIEW FROM NE



**2** VIEW FROM SE



**3** VIEW FROM SW

**conduit**  
architecture+design llc

NOT FOR REGULATORY  
APPROVAL, PERMITTING, OR  
CONSTRUCTION

KOBEY SEALE, AIA TX#21100

**Memorandum**

**Memorandum No: 23-108**

**Date:** January 30, 2023

**To:** Honorable Mayor and City Council

**From:** Ryan Henderson, Interim City Manager 

**Re:** PID Fund Policy for Capital Projects

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As the City of Anna has moved forward with the 2021 Capital Improvement Bond Program, it has become increasingly evident that the costs for land acquisition, design, and construction of these significant projects have been impacted by rising costs associated with inflation. Understanding the impact inflation and the cost of construction is taking on our capital projects, I have looked to identify possible sources of funding to assure that the projects we have committed to can be completed successfully.

As of December 31, 2022, the City has \$7,640,590 of available PID fees, money that has been paid to the City by developers and put into a PID Fund. Over the course of this year, we can reasonably assume that the fund will see an increase of approximately \$4 million. There are no restrictions on this special revenue, as the funds can be used for any legal purpose. It is my recommendation that these developer-contributed fees be used towards capital projects that expand services to our community and that a policy be established dedicating these funds for capital expenditures. There is a rational nexus that fees collected through additional housing and new developments be used towards capital projects that will service the additional population. Most importantly, using these funds will not create a necessity for additional property taxes. Using collected PID fees for capital amenities that allow for expansion of community services follows the principal of growth paying for growth without an impact to our neighbors. The use of these funds for capital projects will allow the City to offset the impact of the current inflationary period, and if desired, also expand the service of capital projects.

A policy for the use of these funds will demonstrate that the funds have been assigned a purpose and that a commitment is being made towards compliancy of that purpose. Therefore, a PID Fund Policy, as an amendment to the City's Financial Policies, will be on the agenda for the February 14 City Council Meeting for consideration and approval.

c: Alan Guard, Finance Director  
Terri Doby, Budget Manager  
Taylor Lough, Assistant City Manager  
Greg Peters, Interim Assistant City Manager  
Carrie Land, City Secretary

