IMPACT FEE PROCESS

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Impact Fee

- Chapter 395 of the Texas Local Government Code
  - Framework for financing the capital improvements related to growth through the adoption and collection of impact fees (water, sewer, drainage and roadways)

- One-time charge to fund the cost of building new infrastructure to serve new development
  - Capital costs only (no O&M)
  - Only those projects to serve growth
Impact Fee

• To fund or recoup the costs of building new infrastructure attributable to new development

• SAWS has a total of 5 categories of impact fees
  - Water - Flow, System Development & Supply
  - Wastewater - Collection & Treatment

• SAWS has multiple service areas for both water and wastewater
LUAP & CIP

• Land Use Assumptions Plan (LUAP)
  – Establishes the service area
  – Projects demand/population for the next 10 years in Equivalent Dwelling Units (EDUs)

• Impact Fee Capital Improvements Plan (CIP)
  – Identifies the projects necessary to serve the demand forecast in the LUAP
  – Must be prepared by a licensed professional engineer
Maximum Impact Fee

• Impact Fee calculation within service areas:
  CIP costs to serve 10 years of growth divided by the number of EDUs

• Credit calculation: The amount above is then reduced based on either the tax and rate revenues generated by the new customers that will pay for the CIP or an amount equal 50% of CIP costs

• Maximum Impact Fee: The sum is the maximum impact fee that can be charged
CIAC’s Membership & Role

• At least 40% of the members from the real estate, development or building industries (+) 1 member from the ETJ

• Advise on the need to update and revise the LUAP, CIP & Max. Impact Fee, and monitor the CIP on a semi-annual basis
Overview of Update Process

• CIAC will file its report (findings & recommendations) to be presented to SAWS Board and City Council

• SAWS staff and Consultant will draft updated Impact Fee Program report

• SAWS Board will consider the updated Impact Fee Program, including, LUAP, CIP and Max. Impact Fee and make a recommendation to City Council

• Go to City Council for consideration of approval
Update Procedural Requirements

• City Council shall adopt an ordinance setting a public hearing within 60 days after receiving the updated Impact Fee Program

• Make the updated Impact Fee Program available to the public and publish notice at least 30 days prior to the date of the public hearing

• CIAC shall file its written comments at least 6 days prior to the public hearing

• City Council may approve the updated Impact Fee Program within 30 days after the public hearing
Adoption Process

• Periodic Update Requirements
  – LUAP/CIP shall be updated at least every 5 years
  • 5-year period begins on date the CIP is adopted
  • LUAP shall be reviewed and evaluated, and the CIP updated in accordance with the procedures of Chapter 395
CIAC Procedures

• Members elect a chair and vice chair
  – Manage the meetings
  – Point of contact for staff
• Convene with a quorum
• Majority vote
• Open meetings (posted 72 hours in advance)