



## STAFF REPORT

**DATE:** April 6, 2021

**TO:** Kent Cagle, City Manager

**FROM:** Danielle Singh, Executive Director of Public Works

**SUBJECT:** Hold a public hearing and consider an ordinance adopting water and wastewater impact fees.

### **BACKGROUND AND FINDINGS:**

On March 9, 2021, City Council held the first public hearing on water and wastewater impact fees, approved the water and wastewater capital improvement plan and land use assumptions, and set the date for the final public hearing on the imposition of impact fees for April 13, 2021.

In accordance with the Texas Local Government Code, notice for the final public hearing has been published in a newspaper and the impact fee draft report has been made available to the public on our website. An impact fee shall be approved or disapproved within 30 days of the final public hearing on the imposition of an impact fee.

The maximum assessable impact fee per service unit for wastewater is equal to \$418. The maximum assessable impact fee per service unit for water is equal to \$1,161. The City Council may establish impact fees at a rate equal to or less than the maximum assessable impact fee per service unit. On March 10, 2021 the Capital Improvement Advisory Committee voted to recommend that the City Council adopt the maximum assessable water and wastewater impact fees per service unit.

### **THE ALTERNATIVES CONSIDERED:**

1. Do not approve the ordinance establishing water and wastewater impact fees.
2. Approve an ordinance establishing water and wastewater impact fees at a rate lower than the maximum assessable impact fee per service unit.
3. Approve the ordinance establishing water and wastewater impact fees at the maximum assessable impact fee per service unit.

### **Which alternative is recommended? Why?**

City Staff recommends that the City Council adopts the ordinance establishing water and wastewater impact fees as recommended by the Capital Improvements Advisory Committee in order to provide for the future growth of the City.

### **CONFORMITY TO CITY POLICY:**

This item complies with all federal, state, and local regulations.

**FINANCIAL IMPACT:**

The maximum water impact fee of \$1,161 was calculated by dividing the 10-year recoverable costs (\$11,886,954.50) by the 10-year additional service units (10,240). The maximum wastewater impact fee of \$418 was calculated by dividing the 10-year recoverable costs (\$4,271,039) by the 10-year additional service units (10,240). Should the City Council approve the maximum water and wastewater impact fee, the estimated annual revenue would be \$1,615,800.

**What is the amount of the expenditure in the current fiscal year? For future years?**

N/A

**Is this a one-time or recurring expenditure?**

N/A

**Is this expenditure budgeted?**

N/A

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

N/A

**RECOMMENDATION:**

City Staff recommends that the City Council adopt the ordinance establishing water and wastewater impact fees.

**DEPARTMENTAL CLEARANCES:**

City Attorney, Finance

**ATTACHED SUPPORTING DOCUMENTS:**

Ordinance