

IMPACT FEE PROCESS

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Capital Improvements Advisory Committee



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)

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