



2016 UPDATE OF WATER & WASTEWATER IMPACT FEES

Impact Fee Advisory Committee

City of Kyle

10/25/16



WHAT IS AN IMPACT FEE?

- A one-time, up-front payment levied on new or expanded development for its capital costs of providing service being place on the utility system.
 - Intended to mitigate rate impacts arising from the capital costs of new development and help make growth pay for itself.
 - Impact Fees in Texas are statutorily addressed in Chapter 395 of the Texas Local Government Code.
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WHAT IS AN IMPACT FEE?

- **The real issue underlying impact fees and rates is,**
“Who pays for utility capacity related to growth?”
 - If there are no impact fees, ratepayers carry the costs.
 - If there are impact fees, the costs are shared.
 - **The ultimate goal is to assure that:**
 - Infrastructure needed to accommodate growth is constructed.
 - Capacity will be available when the development community needs it.
 - Limitations will not be placed on growth due to lack of utility capacity.
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BACKGROUND

- Process is defined in Chapter 395 of Local Government Code, as amended.
- Water and wastewater impact fees last updated in 2008
- Current Impact Fee Fees
 - Water \$2,115 per LUE
 - Wastewater \$2,216 per LUE
 - Total \$4,331 per LUE



FEE DESIGN

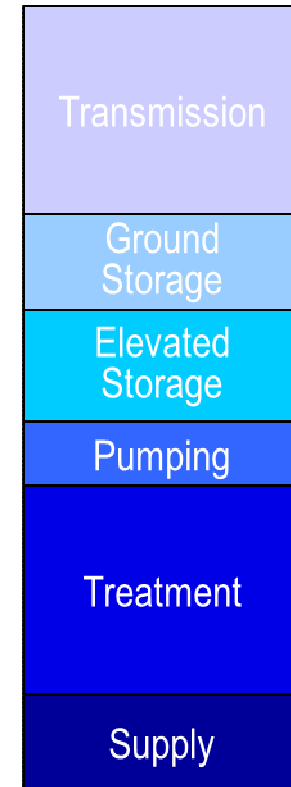
- Overall fees are made up of component fees

Water

- Supply/Treatment
- Storage
- Pumping
- Transmission

Wastewater

- Treatment
- Pumping
- Interceptors



- Produces a maximum fee amount, subject to Council decision on that *or lesser amount*.
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MAXIMUM FEE DETERMINATION

- Define impact fee service area & land uses
 - Estimate water & wastewater utility demands
 - Compare to existing capacity
 - Identify amount and cost of existing available capacity and new facility needs (10-Year CIP)
 - Allocate current & future service demands to facilities
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MAXIMUM FEE DETERMINATION

- Calculate weighted cost of existing and new capacity per Living Unit Equivalent (LUE)
- Determine amount of capital being funded through rates per LUE
- Weighted Capacity Cost per LUE

Minus: Rate Credit per LUE

Equals: Maximum Impact Fee per LUE

CHARGE TO THE COMMITTEE

- Verify:
 - The land use basis for the CIP
 - That the CIP has been reasonably defined.
 - That the maximum impact fee has been reasonably calculated.
 - The resultant maximum fee is \$X.
 - Recommend a fee to the City Council and Board
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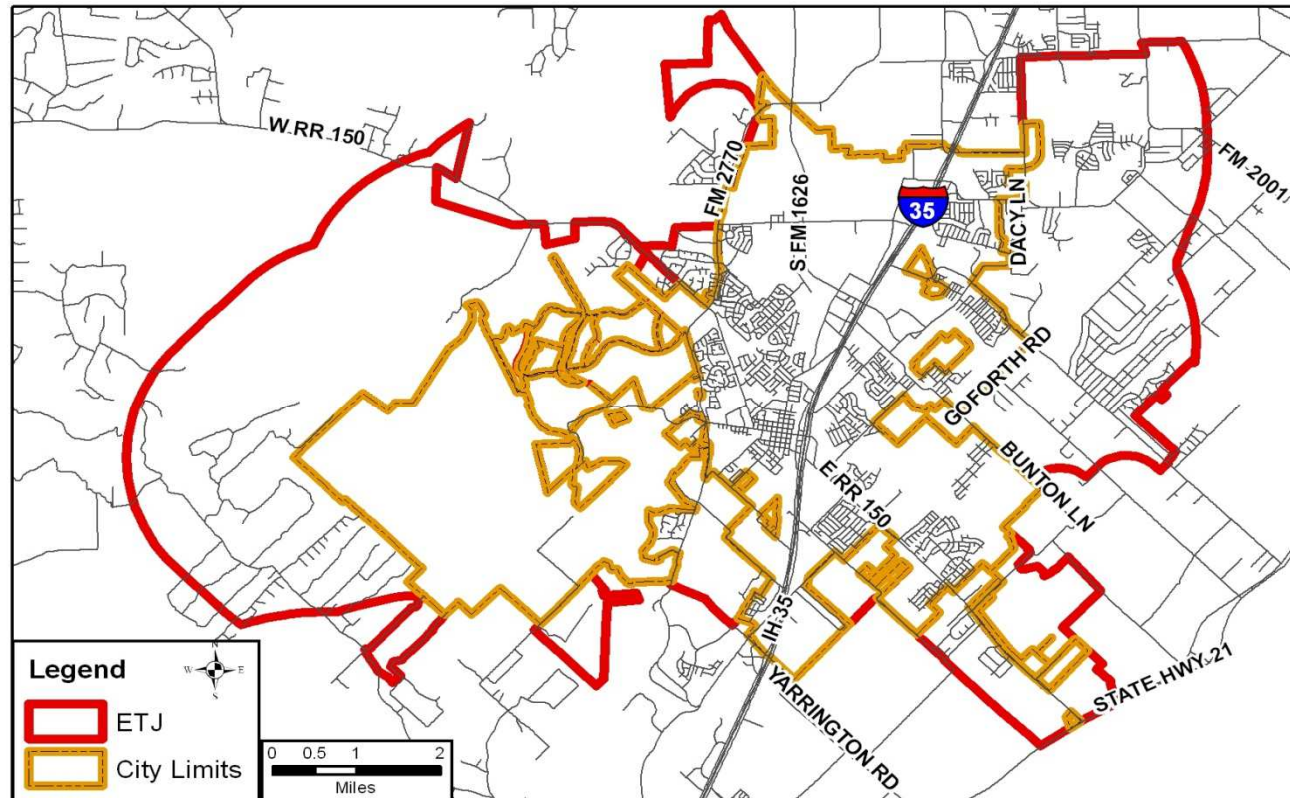
FEE COORDINATION & DECISION-MAKING

- Advisory Committee adopts impact fee report
 - Advisory Committee makes recommendations to Council
 - City Council to set Public Hearing date
 - Provide Public Notice of pending hearing
 - Conduct Public Hearing
 - Council Action
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ANTICIPATED SCHEDULE

- October 25 – Presentation of draft impact fee report to Advisory Committee and Committee provides comments to HDR
 - November 8 – Committee provides comments to HDR and approves the report as amended
 - November 15 – Present Committee recommendations to Council and recommend publication of public hearing
 - December 20 – Public Hearing on Impact Fee and Council Action
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IMPACT FEE SERVICE AREA - KYLE



LAND USE - KYLE

<i>Item</i>	<i>Current</i>		<i>Future (Including ETJ)</i>	
	<i>Acres</i>	<i>%</i>	<i>Acres</i>	<i>%</i>
Single Family Residential & Mfg. Homes	4,952	20%	10,500	43%
Multi-Family Residential	264	1%	500	2%
Commercial/Retail	2,127	9%	2,500	10%
Industrial	866	4%	870	4%
Subtotal Developed	8,209	34%	14,370	59%
Undeveloped/Not Served by City Utilities	16,871	66%	10,710	41%
Total Land Use Acreage	25,080	100%	25,080	100%
Source: City of Kyle, 2016. The following water use rates were used to project demand based on the land use data above: 310 gals per acre – Single Family & Mfg. Homes (Current) 300 gals per acre – Single Family & Mfg. Homes (Future) 380 gals per acre – Multi-Family Residential (Current) 370 gals per acre – Multi-Family Residential (Future) 290 gals per acre – Commercial/Retail (Current) 280 gals per acre – Commercial/Retail (Future) 160 gals per acre – Industrial (Current & Future)				

WATER CIP

<i>Water Capital Projects</i>	<i>Cost</i>
WATER SUPPLY	
HCPUA Supply	\$52,020,553
County Line WSC Interconnect	150,000
Monarch Interconnect	70,000
WATER TREATMENT	
HCPUA Supply	5,780,061
WATER PUMPING	
FM 1626 Upgrade	130,000
Lehman Upgrade	130,000
GROUND STORAGE	
New Ground Storage Facilities	3,000,000
ELEVATED STORAGE	
New Elevated Storage Facilities	4,400,000
TRANSMISSION	
Old Hwy 81 – 12" Water Line	105,000
Pumphouse Rd/Melinda Lane 8" Water Line	120,000
Stagecoach, Scott St. and Opal St. – 12" Water Line	300,000
Various Other Transmission Mains	3,000,000
Total 10-Year Projects for Growth	\$69,205,614

WASTEWATER CIP

<i>Wastewater Capital Projects</i>	<i>Cost</i>
WASTEWATER TREATMENT	
Expansion of Wastewater Treatment Plant	\$16,850,000
PUMPING (Lift Stations)	
Cypress Forest	0
Crosswinds	0
INTERCEPTORS	
Bunton Creek Interceptor Ph. 3.1	2,700,000
Bunton Creek Interceptor Ph. 3.2	2,100,000
WWTP Interceptor Ph. 1	3,437,000
WWTP Interceptor Ph. 2	2,308,000
Elliott Branch Interceptor Ph. 1	3,480,000
Elliott Branch Interceptor Ph. 2	1,345,000
Center Street Village Wastewater Improvement	1,763,800
Plum Creek Interceptor Ph. 1	960,800
Plum Creek Interceptor Ph. 2	2,145,100
Yarrington WW Line to SM System	4,250,000
Total 10-Year Projects for Growth	\$41,339,700

IMPACT FEE COMPONENTS

Item	Capital Cost of New Service per LUE	Optional Adjustments		Option A	Option B	Highest of Option A or B
		Option A Rate Credit	Option B 50% Cost Adjustment			
WATER						
Supply	\$ 2,946	\$ 545	\$ 1,473	\$ 2,401	\$ 1,473	
Treatment	331	67	166	265	166	
Pumping	46	3	23	43	23	
Ground Storage	228	39	114	189	114	
Elevated Storage	440	66	220	374	220	
Transmission	354	92	177	261	177	
Allocated Impact Fee Study Cost	1			1	1	
Total Water	\$4,346	\$811	\$2,172	\$3,535	\$2,174	\$3,535
WASTEWATER						
Treatment	\$ 1,699	\$ 63	\$ 850	\$ 1,636	\$ 850	
Pumping	0	0	0	0	0	
Interceptors	1,292	104	646	1,188	646	
Allocated Impact Fee Study Cost	1			1	1	
Total Wastewater	\$2,992	\$166	\$1,495	\$2,826	\$1,497	\$2,826
TOTAL WATER/WASTEWATER	\$7,338	\$978	\$3,668	\$6,361	\$3,671	\$6,361

AREA FEE COMPARISON

<i>City/Utility</i>	<i>Water</i>	<i>Wastewater</i>	<i>Total</i>
Buda	\$2,187	\$2,531	\$4,718
New Braunfels Utilities	\$4,260	\$3,270	\$7,530
Seguin	\$1,875	\$2,374	\$4,249
Leander	\$3,880	\$1,615	\$5,495
Universal City	\$2,741	\$861	\$3,602
Austin	\$5,400	\$2,200	\$7,600
Cedar Park	\$2,250	\$2,000	\$4,250
Lockhart	\$1,224	\$1,094	\$2,318
Hutto	\$3,625	\$2,128	\$5,753
San Marcos	\$2,285	\$3,506	\$5,791
Round Rock	\$4,025	\$2,099	\$6,124
Kyle – Current	\$2,115	\$2,216	\$4,331
Kyle – New Maximum	\$3,535	\$2,826	\$6,361