

Legislation Text

File #: 18-396, **Version:** 1

Presenter/Contact
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SUBJECT:

Approval of the second and final reading of an ordinance amending Chapter 130, Article VI, of the Code of Ordinances, relating to the amendment of land use assumptions and a capital improvements plan and the imposition of water and wastewater impact fees.

BACKGROUND / RATIONALE:

REQUEST BY: New Braunfels Utilities
263 E. Main Plaza
New Braunfels, TX 78130

CONSULTANT: Stephanie Neises, P.E.
Freese and Nichols, Inc.
10431 Morado Circle, Suite 300
Austin, TX 78759

STAFF CONTACT: Dawn Butrym
Chief Financial Officer
New Braunfels Utilities (NBU)
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The first reading of this requested ordinance was unanimously approved by City Council on July 23, 2018.

New Braunfels Utilities (NBU) charges water and wastewater impact fees to new development within its service area. These fees, regulated by Chapter 395 of the Texas Local Government Code (the Act), are designed to recover part of the cost of major infrastructure needed to serve the new development. Impact fees are developed for a ten-year planning horizon, with previous studies encompassing the periods from 1989-1999, 1999-2009, 2009-2016, and 2015-2025. NBU, Freese and Nichols, Inc. (FNI), and the City have developed a new ten-year planning period of 2018-2028. The prior 2015-2025 fee program will be truncated at year 2018 (becoming the 2016-2018 program) if City Council adopts the new impact fee program.

Pursuant to the Act, City Council appointed the Impact Fee Advisory Committee (IFAC), among other things, to advise the City of the need to amend (i) land use assumptions, (ii) the capital improvements plan, and (iii) the current impact fees. This Committee met on December 5, 2017, March 6, 2018, and June 5, 2018, to review such matters. On June 5, 2018, the IFAC, after considering the reports of NBU and FNI, recommended that City Council set a public hearing date to discuss amending the

ordinance setting impact fees. In accordance with the Act, City Council passed a resolution on June 11, 2018, setting a public hearing date of July 23, 2018. Following that hearing, City Council will consider whether to approve the first reading of an ordinance amending land use assumptions and a capital improvement plan and setting the new maximum impact fees for water and wastewater.

Proposed Impact Fees:

The proposed ordinance sets the maximum impact fees per service unit that could be assessed and collected under the Act as follows:

Type of Service	Maximum Fee per LUE
Water	\$7,989
Sewer	\$3,251

Current Impact Fees:

The current maximum impact fees per service unit that are assessed and collected under the Act are as follows:

Type of Service	Maximum Fee per LUE
Water	\$5,321.64
Sewer	\$4,081.48

The proposed amendment increases the maximum impact fees for water by \$2,667.36 and decreases the maximum impact fees for wastewater by \$830.48, which results in a net increase of \$1,836.88 in total maximum impact fees. This increase will assist in recovering the cost of \$278,526,081.00 in infrastructure projects needed to serve new development in the next ten years.

The second reading of the proposed ordinance is scheduled for August 13, 2018, and, if approved, the proposed maximum impact fees will become effective on November 13, 2018.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

N/A

FISCAL IMPACT:

N/A

COMMITTEE RECOMMENDATION:

The IFAC met on June 5, 2018, and unanimously recommended that the ordinance setting impact fees be amended.

STAFF RECOMMENDATION:

Staff recommends approval.