



City of Pflugerville

Legislation Text

File #: 2022-1163, **Version:** 1

Conduct a public hearing and consider action to amend the Land Use Assumptions and Capital Improvements Plan for Water and Wastewater Utility Infrastructure, determine whether to amend the plan and amendments to the Land Use Assumptions, Capital Improvements Plan.

November 8, 2022, City Council authorized staff to set a public hearing date for December 13, 2022 for consideration of updating the City's Land Use Assumptions, Capital Improvement Plan and Water and Wastewater Impact Fees. In addition, City Staff began coordinating with the Capital Improvements Advisory Committee (CIAC) in July 2022.

City Staff has requested a public hearing as required by Texas Local Government Code (TLGC) Chapter 395 as an opportunity for public review and consider action to submit comments to City Council on the update and amendment to the City of Pflugerville Code of Ordinances, Chapter 152, Subchapter A, entitled "Water and Wastewater Impact Fees," updating the land use assumptions, capital improvement plan and amending impact fees for water and wastewater utilities.

The last Impact Fee study was adopted on April 14, 2020. Due to the nature of the capital projections in the Water and Wastewater utility, an update of the impact fees are necessary to make sure that we are passing on to the developers their share of the capacity in these new facilities. The major changes from the 2020 report to this updated report are the necessary capital projects and the estimate of probable cost for various utility projects, mainly the Water Treatment Plant expansion, Wilbarger Wastewater Treatment Plant and Secondary Colorado River Raw Water Line projects for construction that has begun or will begin within the next several months. After contracting with several design consultants to design these projects, the costs have increased significantly from the original estimates received in 2020. These increases relate to materials availability and escalation, contractor capacity and oversaturation, worldwide shortages, and supply chain disruptions. These discussion items were previously presented in more detail as part of the November 8, 2022 City Council Worksession.

City staff will continue to evaluate the necessity to update the impact fees annually or otherwise, until the cost of these large projects are solidified and under contract. The proposed Impact fees will be used to pay for development "impacts" into the water and wastewater infrastructure. The fees are highly regulated and must be "directly attributable" to the development taking place. Impact fees are levied by Ordinance by the City of Pflugerville. Before an update to the water and wastewater impact fees can be implemented, City must consider approval to update land use assumptions. City provided proposed Land Use Maps, as extremely important pieces of information that drive the Capital Improvement Plan; which describe the long term needs of a proposed development area in regards to capital improvements such as water and wastewater.

The Public Hearing is also necessary in advance of adoption of an ordinance to amend impact fees and implementation of impact fees. As with this request, discussion and recommendation with any

written comments to City Council regarding the City of Pflugerville Utilities Water and Wastewater Impact Fee Study Update November 2022.

City Staff coordinated with Freese and Nichols, Incorporated (FNI) and Newgen Strategies as consultants for the efforts of updating associated components related to the City's Water and Wastewater Impact Fees. The Water and Wastewater Impact Fee Study is an analysis necessary for the City in order to consider capital utility infrastructure impact fees related to water and wastewater, as well determines the maximum fee rates allowable in Pflugerville under state law. Impact fees are funds collected within a service area to pay for water and wastewater improvements that contribute to the capacity of the utility infrastructure system.

Water and wastewater impact fees, include a service area that is city wide and includes the ETJ, for water and wastewater needs within City's Certificate of Convenience and Necessity (CCN). The service areas for City of Pflugerville's water and wastewater systems differ slightly in terms of extent. Both the Water and Wastewater Service Areas include the City's current Water and Wastewater Certificates of Convenience and Necessity (CCN), respectively, as well as areas that are proposed to be added to each CCN in the future. The Wastewater Service Area includes nearly the entire Water Service Area, and extends six miles farther east, covering an area more than 2.5 times the size of the Water Service Area. For the purpose of impact fee calculations, the Wastewater Service Area was split into two separate service areas to account for different rates of projected development. Service Area 1 includes the Central Basin, and Service Area 2 includes the Wilbarger and Cottonwood Basins.

Water and Wastewater Impact Fees are determined based on land use, growth, and capital improvements of each of the identified service areas. As approved in January 2020 by Council, Pflugerville wastewater service areas were divided into two service areas that meet the provisions required by state law for impact fees. Wastewater Service Area 1, includes generally the area located west of the State Highway 130 corridor and Service Area 2 is generally the entire area east of State Highway 130, including both Wilbarger and Cottonwood sewer basins. Please refer to the map exhibits in the report for more information.

The Water and Wastewater Impact Fee Study established a maximum rate that could be collected per service area and would be applicable to new development or redevelopment that generates an increase from existing uses. The current impact fee ordinance was effective April 2020, as set the water impact fee for single family meter at \$7,897 and the wastewater impact fee for a single-family meter at \$1,898 in Central Basin and \$8,184 in the Cottonwood and Wilbarger Basins. The prior 2020 rates are considered as proposed update Impact Fee increases for the proposed capital improvement plan to serve new development over the next 10-year period 2022 to 2032 based on the percentage of the project's capacity required to serve development. The proposed maximum assessable fee rates per service area:

Service Area 1: Maximum Assessable Fee

- Water Impact Fee: \$14,713.00
- Wastewater Impact Fee: \$1,316.00
- Total Impact Fee: \$16,029.00

Service Area 2: Maximum Assessable Fee

- Water Impact Fee: \$14,713.00

- Wastewater Impact Fee: \$15,136.00
- Total Impact Fee: \$29,849.00

The Capital Improvements Advisory Committee (CIAC) recommends:

- 1) Adoption of the Land Use Assumptions and Capital Improvements Plans as presented in the Impact Fee Report dated November 2022; AND
- 2) To assess and collect the maximum allowable impact fee per service unit, as proposed for each Service Area.

Capital Improvement Advisory Committee (CIAC) Action

On January 6, 2020, the CIAC recommended approval of Service Area 1 and 2 for wastewater and recommended approval of Maximum Assessable Impact Fees for water and wastewater.

On July 18, 2022, the CIAC reviewed and discussed Water and Wastewater Impact Fee Update

On November 7, 2022, the CIAC discussed and considered various assumptions and calculations for Impact Fees; Agreeable for consideration up to maximum Water and Wastewater Impact Fee

On December 5, 2022, the CIAC discussed the updates and confirmed calculations and fees proposed related to the Water and Wastewater Impact Fees.

On December 5, 2022, the CIAC acted to recommend the study assumptions for the maximum allowable fees for water and wastewater.

Prior City Council Action

On January 28, 2020, City Council passed Resolution 1748-20-01-28-0699 to set a public hearing for March 10, 2020 to discuss and review the update of the City's Land Use Assumptions, Capital Improvement Plan, and Water and Wastewater Impact Fees.

On March 10, 2020, City Council held a Public Hearing and approved update of the City's Land Use Assumptions, Capital Improvement Plan, and Water and Wastewater Impact Fees.

April 14, 2020, City Council approved Ordinance No. 1438-20-04-14 amending the Impact Fees and Chapter 152, Implementation of Impact Fee, of the Code of Ordinances for the City of Pflugerville, Texas, to update the impact fees pursuant to Texas Local Government Code Chapter 395, Subchapter C; and providing an effective date.

On November 8, 2022, City Council approved a Resolution to set a public hearing on December 13, 2022 for the Impact Fee Capital Improvements Plan. Texas Local Government Code Chapter 395 requires the City Council adopt a resolution to set a public hearing date to consider impact fees.

Deadline for City Council Action

Action on this item is requested on December 13, 2022.

Funding Expected: Revenue ___ Expenditure ___ N/A X

Budgeted Item: Yes ___ No ___ N/A X

Amount: N/A

1295 Form Required? Yes ___ No X

Legal Review Required: N/A Required Date Completed: November 18, 2022

Supporting documents attached:

Letter of Recommendation from CIAC
Water and Wastewater Impact Fee Study Report
Draft Presentation

Recommended Action

Conduct a public hearing.