



# City of Pflugerville

## Legislation Text

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**File #:** ORD-0689, **Version:** 2

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Approving an ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, Approving Amended Impact Fees and amending 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.

This agenda item is for the second reading of the proposed ordinance to amend the City's Impact Fees for water and wastewater as first presented on December 13, 2022. Staff requests consideration and approval of the second reading of the proposed ordinance. The purpose of the proposed ordinance is the adoption and implementation of updated water and wastewater impact fees necessary to recover a portion of costs of providing utility capital improvements; provide an equitable structured approach to assessment of fees; and assessment of impact fees for new growth and development based on capacity consumed accordingly for how much water and wastewater a development will consume. This item supports by the Infrastructure pillar of the Strategic Plan.

The proposed ordinance includes the updated land use assumptions, updated capital improvements plan, cost of capital projects, calculation and tabulation of proposed water and wastewater fees, with corresponding water and wastewater service area map exhibits. Information as proposed for review and discussion prior to action.

Authorized by the State of Texas, impact fees allow municipalities to assess developers and builders a one-time charge in order to finance additional infrastructure necessitated by new residential and commercial developments. In this way, the cost burden of future growth is shared by the new developments. Components consider to determine the proposed water and wastewater Impact Fees include recently constructed improvements with excess capacity to accommodate growth; proposed projects that will accommodate growth within the next ten years; financing costs; and cost of Impact Fee Study.

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" on 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 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 2022 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 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

**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 held discussions for review of information from City Staff, Freese and Nichols, Inc. (FNI) and Newgen Strategies associated with an impact fee analysis on the City's water and wastewater systems. An Impact Fee Report provided with summary of methodology used in the development and calculation of water and wastewater impact fees for the City of Pflugerville. The methodology used satisfies the requirements of the Texas Local Government Code Section 395 for the establishment and update of water and wastewater impact fees. Staff presented the studies' land use assumptions, CIP, impact fee calculation, and schedule for adoption to the Capital Improvements Advisory Committee (CIAC) at its July 18, 2022 meeting and November 7, 2022 meeting.

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. Once the public hearing date is set and prior to thirty days before the date set for the hearing, notice of the hearing shall be published in the newspaper and information for period of projections and a description of the impact fees shall be made available to the public.

On December 13, 2022, City Council conducted a public hearing with approval for updates to the water and wastewater capital improvements plan, impact fee, and approved first (1<sup>st</sup>) reading for the Impact Fees.

**Deadline for City Council Action**

Action on this item is requested on January 10, 2023.

**Funding Expected:** Revenue  Expenditure  N/A

**Budgeted Item:** Yes  No  N/A

**Amount:** N/A

**1295 Form Required?** Yes  No

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

**Supporting documents attached**

- Proposed Ordinance
- Letter of Recommendation from CIAC
- Pflugerville Impact Fee Report
- Draft Presentation

**Recommended Action**

Approve the ordinance on second reading with the caption reading: An ordinance of the City of Pflugerville, Texas, Approving Amended Impact Fees and amending 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