

Bastrop Impact Fee Advisory Committee

Agenda

Bastrop City Hall City Council Chambers

1311 Chestnut Street

Bastrop, TX 78602

(512) 332-8800



December 19, 2024

Agenda - Impact Fee Advisory Committee at 5:00 PM

Bastrop Planning and Zoning Commission meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

1. **CALL TO ORDER**

2. **CITIZEN COMMENTS**

At this time, three (3) minute comments will be taken from the audience on any topic. Anyone in attendance wishing to address the Board/Commission must complete a citizen comment form and give the completed form to the Board/Commission Secretary prior to the start of the Board/Commission meeting. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, the Board/Commission cannot discuss issues raised or make any decision at this time. Instead, the Board/Commission is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry. Issues may be referred to City Manager for research and possible future action.

It is not the intention of the City of Bastrop to provide a public forum for the embarrassment or demeaning of any individual or group. Neither is it the intention of the Board/Commission to allow a member of the public to slur the performance, honesty and/or integrity of the Board/Commission, as a body, or any member or members of the Board/Commission individually or collectively, or members of the City's staff. Accordingly, profane, insulting or threatening language directed toward the Board/Commission and/or any person in the Board/Commission's presence will not be tolerated.

3. **PRESENTATIONS**

3A. Presentation by NewGen Strategies & Solutions regarding the City of Bastrop's Water and Wastewater Impact Fee Rate Study.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

4. **ITEMS FOR INDIVIDUAL CONSIDERATION**

4A. Consider and act on a proposed impact fee analysis as presented by NewGen Strategies and Solutions, Inc.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

5. **ADJOURNMENT**

Notice is hereby given of the possibility of a quorum of members from any City of Bastrop Council, Boards, and/or Commissions, at this Planning and Zoning Commission - Impact Fee Advisory Meeting.

NO Council/Board/Commission action will be taken; NO deliberations will be held; and NO Council/Board/Commission business will be conducted. **Exception to the Planning and Zoning Commission / Impact Fee Advisory Committee.

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place of convenient and readily accessible to the general public, as well as to the City's website, www.cityofbastrop.org and said Notice was posted on the following date and time: Thursday, December 12, 2024 at 4:30 p.m. and remained posted for at least two hours after said meeting was convened.

/s/Victoria Psencik
Victoria Psencik, Assistant City Secretary



October 22, 2024

CITY OF BASTROP, TEXAS WATER AND WASTEWATER IMPACT FEE UPDATE



IMPACT FEES

What are they?

- Mechanism that allows municipalities the ability to recover infrastructure costs associated with future development
 - New construction or facility expansion to serve future development during the next ten (10) years
- Governed by Chapter 395 of the Texas Local Government Code
 - *“Impact Fee means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development”*

Texas Local Government Code §395.001

IMPACT FEES

What costs are
recoverable?

- Construction
- Surveying and Engineering
- Land Acquisition and Associated Costs
- Financing Costs
- Engineering Costs Associated with Land Use/Capital Improvements Planning and/or Financial Consulting Associated with Developing Impact Fees (Not Employed by the City)

IMPACT FEES

What costs are not
recoverable?

- Capital Improvement Projects NOT Identified in the Impact Fee CIP
- Operations and Maintenance Costs
- Improvements Associated with Existing Deficiencies
- Administrative and Operational Costs of the City
- Non-Impact Fee CIP Debt Service
- SB 883 – exempts school districts from impact fees unless board consents by entering into contractual agreement (effective May 25, 2007)

IMPACT FEES

How are they
calculated?

- Land Use and Population Projections
- Capital Improvements Plan (Master Plan)
 - Description of existing facilities and the costs to meet existing needs and deficiencies
 - Analysis of existing capacity and commitments
 - Description of capital improvements and associated costs attributable to new development based on the approved Land Use Assumptions
 - Projected new service units based on approved Land Use Assumptions
 - Develop 10-year Impact Fee CIP and costs

IMPACT FEES

How are they
calculated?
(continued)

- Financing Costs
- Revenue Credit Calculation or 50% Credit
 - Revenue Credit Calculation – a credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period (10-years) that is used for payment of projects included in the Impact Fee CIP
- Maximum Assessable Impact Fee

$$\text{Impact Fee} = \frac{\text{Cost of Impact Fee CIP} - \text{Credit}}{\text{New Service Units}}$$

IMPACT FEES

Key Assumptions

- Utilized a 4% Growth Factor
- Within next ten years:
 - 3,582 New Wastewater Connections
- 37 Wastewater CIP Projects were included

- Water Impact Fee CIP and Land Use Assumptions were reviewed, but no update to those plans is recommended at this time

WASTEWATER IMPACT FEE CIP

W/ 4 MGD Plant Expansion	Total Project Amount	% for 2024-2034 Growth	Impact Fee Eligible
Wastewater Treatment	\$ 267,514,174	9.53%	\$ 25,485,048
Wastewater Pumping	6,703,660	13.000%	871,786
Major Collection Lines	27,263,235	95.02%	25,905,822
Impact Fee Study	6,250	100.00%	6,250
Total	\$ 301,487,319		\$ 52,268,906

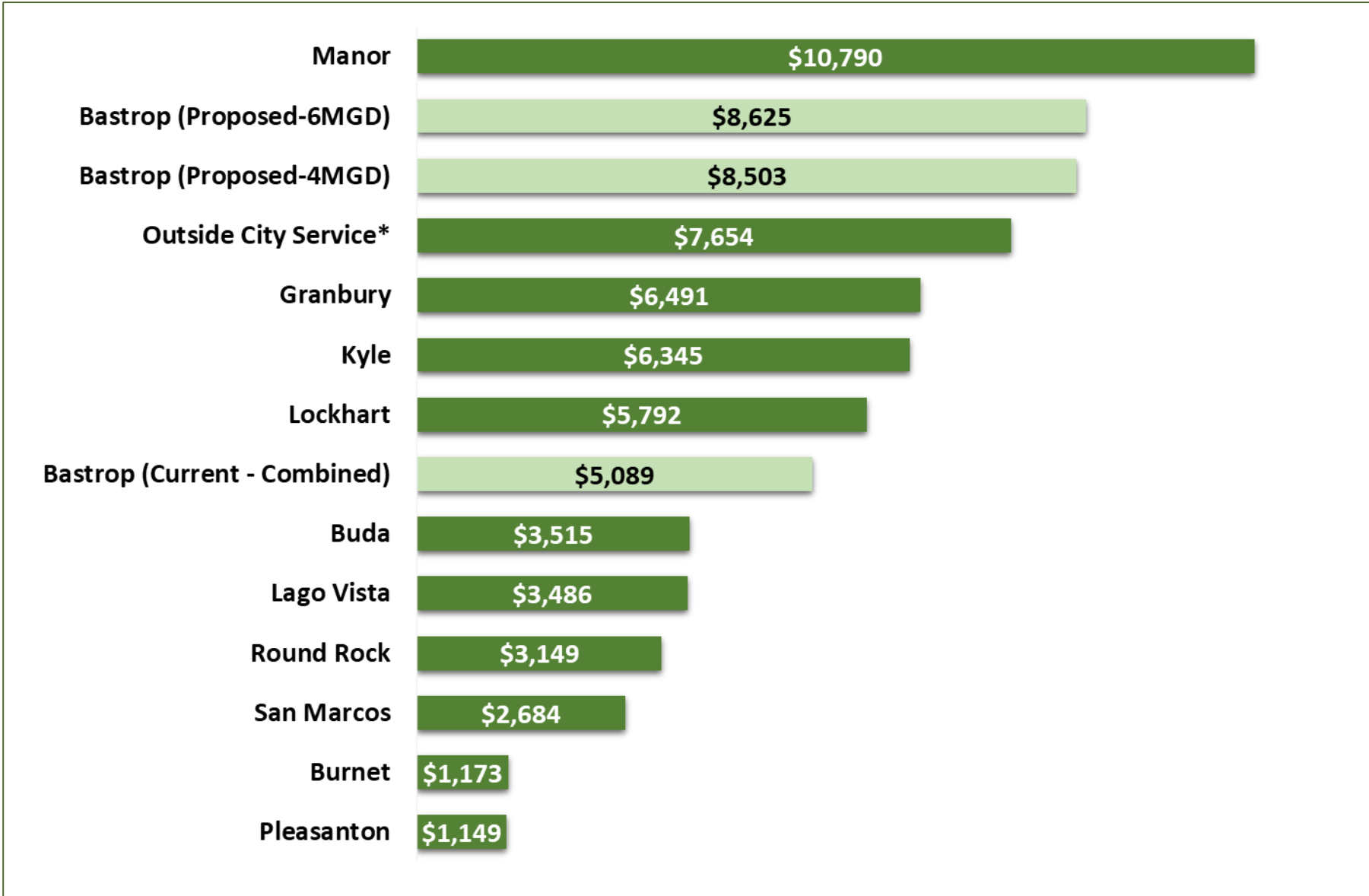
W/ 6 MGD Plant Expansion	Total Project Amount	% for 2024-2034 Growth	Impact Fee Eligible
Wastewater Treatment	\$ 332,014,174	7.86%	\$ 26,080,642
Wastewater Pumping	6,703,660	13.000%	871,786
Major Collection Lines	27,263,235	95.02%	25,905,822
Impact Fee Study	6,250	100.00%	6,250
Total	\$ 365,987,319		\$ 52,865,500

WASTEWATER IMPACT FEE CALCULATIONS

Line	Description	4MGD Exp.	6MGD Exp.
1	Recoverable Cost for Impact Fee Planning Period	\$ 52,268,906	\$ 52,864,500
2	Add: Financing Costs	21,778,103	22,307,244
3	Less: Interest Earnings	(12,143,940)	(12,391,666)
4	Less: Existing Fund Balance	(988,600)	(988,600)
5	Recoverable Cost of Wastewater Impact Fee and Financing Costs Less Balance	\$ 60,914,469	\$ 61,791,478
6	Divide: Additional Service Units Added During Planning Period	3,582	3,582
7	Maximum Assessable Fee	\$ 17,006	\$ 17,251
8	Fee with 50% Credit (Max Assessable Fee)	\$ 8,503	\$ 8,625
9	Current Wastewater Impact Fee	\$ 5,089	\$ 5,089
10	<i>Variance</i>	\$ 3,414	\$ 3,536

RATE RECOMMENDATIONS

- Set the maximum impact fee per service unit equal to a 3/4-inch connection using the 50% credit method for both water and wastewater impact fees
 - Wastewater Impact Fee -
 - 4MGD Expansion - \$ 8,503 for a ¾" Meter
 - 6 MGD Expansion - \$ 8,625 for a ¾" Meter
- Assess escalating fees by meter size based on capacity values from the AWWA Manual M1, Principles of Water Rates, Fees and Charges, 6th edition, 2012



WASTEWATER REGIONAL COMPARISON

Impact Fees (3/4-inch meter)

*Outside City Service represents the estimated cost of septic installation., which can vary based on labor, material, and system type



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
275 W. CAMPBELL ROAD, SUITE 440
RICHARDSON, TEXAS 75080

CHRIS EKRUT, DIRECTOR
972-232-2234
CEKRUT@NEWGENSTRATEGIES.NET



STAFF REPORT

MEETING DATE: December 19, 2024

TITLE:

Consider and act on a proposed impact fee analysis as presented by NewGen Strategies and Solutions, Inc

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

BACKGROUND/HISTORY:

Planning and Zoning Impact Fee Advisory Committee is established to provide a mechanism for public input and recommendation for impact fee rates to Planning and Zoning Commission, and ultimately to the City of Bastrop City Council.

“Impact Fee means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development”

Texas Local Government Code §395.001

The following costs are recoverable:

- Construction
- Surveying and Engineering
- Land Acquisition and Associated Costs
- Financing Costs
- Engineering Costs Associated with Land Use/Capital Improvements Planning and/or Financial Consulting Associated with Developing Impact Fees (Not Employed by the City)

An impact fee is calculated as:

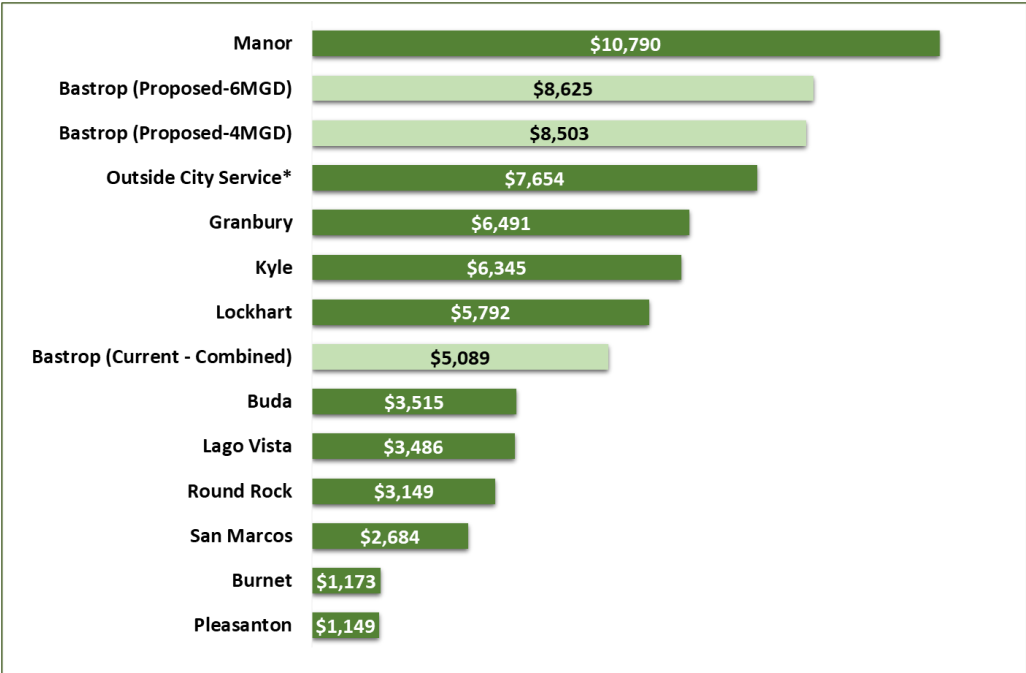
$$\text{Impact Fee} = (\text{Cost of Impact Fee CIP} - \text{Credit}) / (\text{New Service Units})$$

The City must review impact fees at least every 5 years but can review and soon as annually. In a period of rapid growth, it is important that Bastrop keep pace with the amount of growth that is in our area and served by the City. The wastewater impact fees specifically must be addressed to service future wastewater treatment plant expansion needs with projections exceeding \$100M for a 4MGD (million gallons per day) expansion. Engineering projections estimate at least another 6-8MGD will be needed in the next 10 years, and 12MDG in the next 20 years.

W/ 4 MGD Plant Expansion	Total Project Amount	% for 2024-2034 Growth	Impact Fee Eligible
Wastewater Treatment	\$ 267,514,174	9.53%	\$ 25,485,048
Wastewater Pumping	6,703,660	13.000%	871,786
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The proposal is to increase the wastewater impact fee from \$5,089 to \$8,625, a 69% increase, and would rank Bastrop at near the top of the local area, but also keeps pace with Bastrop’s astronomical growth, expected to see a 40%+ increase by 2030.



FISCAL IMPACT:

Total wastewater debt is approximately \$140M. If the wastewater impact fees are not increased, the cost of the debt must be spread to not only new development, but also existing customers.

Issue	Fund	Total		
		Principal	Interest	Total
2023 Combination Tax and Revenue Certificates of Obligation	Utility Fund	26,910,000.00	24,257,225.30	51,167,225.30
2021 Combination Tax and Revenue Certificates of Obligation	Utility Fund	33,500,000.00	13,488,450.20	46,988,450.20
2021 General Obligation Refunding Bonds	Utility Fund	2,105,000.00	396,800.00	2,501,800.00
2021A General Obligation Refunding Bonds	Utility Fund	4,315,000.00	614,715.50	4,929,715.50
2020 Water and Wastewater Utility System Revenue Bonds	Utility Fund	19,545,000.00	8,784,750.00	28,329,750.00
2020 General Obligation Refunding Bonds	Utility Fund	40,089.00	509.14	40,598.14
2019 Water and Wastewater Utility System Revenue Bonds	Utility Fund	1,630,000.00	468,550.00	2,098,550.00
2016 General Obligation Refunding Bonds	Utility Fund	555,000.00	62,900.00	617,900.00
2021B Notes Payable	Utility Fund	60,000.00	0.00	60,000.00
2014 Combination Tax and Revenue Certificates of Obligation	Utility Fund	2,218,725.00	275,812.32	2,494,537.32
2007 Certificates of Obligation	Utility Fund	571,341.00	47,327.43	618,668.43
2006 Certificates of Obligation	Utility Fund	72,030.00	5,502.15	77,532.15
Total		91,522,185.00	48,402,542.04	139,924,727.04

RECOMMENDATION:

Approve the recommended impact fee to \$8,625 from \$5,089.

ATTACHMENTS:

1. Presentation