

AGENDA



Monday, September 10, 2007

Budget
RECOMMENDATION FOR COUNCIL ACTION

Item No. 7

Subject: Approve an ordinance adopting the update of the City of Austin Water and Wastewater Impact Fee Land Use Assumptions and Capital Improvement Plan (CIP), including the Impact Fee Service Area amendments and proposed changes to the Water and Wastewater Impact Fees to be charged by the City.

Amount and Source of Funding: No fiscal impact.

Fiscal Note: No fiscal note is required.

For More Information: David Anders, 972-0323; David Juarez, P.E., 972-0191; Teresa Lutes, P.E., 972-0179; Denise Avery, 972-0104

Boards and Commission Action: Recommended by the Water and Wastewater Commission. Recommended by the Impact Fee Advisory Committee.

Prior Council Action: The most recent updates to the Impact Fee Land Use Assumptions and CIP were adopted by City Council on November 29, 2001. Prior adoption dates are February 13, 1997 and February 15, 1999. The most recent ordinance amending the fee schedule for water and wastewater impact fees was adopted on August 5, 1999 (varying the collected fees by Smart Growth zone). Since then, the fees have been re-adopted each year as part of the City's annual Fee Ordinance. The August 30, 2007 public hearing date for this update was set by City Council resolution on July 26, 2007. Public Hearing was held on August 30, 2007.

Under the Texas Impact Fee Act (Local Government Code, Chapter 395), the City is required to update its Impact Fee Land Use Assumptions, the Impact Fee Capital Improvement Plan (CIP), and Maximum Allowable Water and Wastewater Impact (capital recovery) Fees every five years and to conduct a public hearing on each update prior to its adoption. This update contains the calculation of the maximum allowable water and wastewater impact (capital recovery) fees, amends the water and wastewater impact fee service area, and recommends water and wastewater impact fees to be charged by the City.

In accordance with State law, the total system-wide costs attributable to new development are determined. In addition, in compliance with State law procedure established primarily to account for utility revenues from development, the total system-wide impact costs are then reduced by 50%. The resulting costs are then divided by the service units to determine the total maximum allowable fee. Based on the calculations, the updated Maximum Allowable Fees for the Austin Water Utility are:

Water	\$3,307	Wastewater	\$1,852
-------	---------	------------	---------

Water and wastewater capital recovery fee collections exceeded \$9.6 million in FY 2005-2006 and have exceeded \$8.1 million in each of the previous two fiscal years. The fees have been considered an equitable way to distribute some of the costs of new growth compared to fully embedding these costs into the rates.

SEE PART 2 FOR ADDITIONAL BACK UP INFORMATION