

OPERATING BUDGET REVISED - FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

6/23/11

CONTACT DEPARTMENT(S):

Austin Water, Fire, Transportation, Planning & Development Review

FUND(S):

General Fund, Transportation Fund, Austin Water Utility

SUBJECT: Approve an ordinance waiving certain development fees in an amount not to exceed \$3,800,000 and directing the City Manager to negotiate and execute an agreement with White Lodging regarding a wastewater line in an amount not to exceed \$500,000 related to the construction of a hotel to be located at 2nd Street and Congress Avenue.

CURRENT YEAR IMPACT:

Fee Waiver Summary:

\$455,585	Permit Fees (General Fund)
\$108,233	Inspection and Review Fees (General Fund)
\$120,000	Water Quality Fee in-lieu of Fees (General Fund)
\$3,000,000	Temporary Use of the Right-of-Way Fees (Transportation Fund)
\$425	Right-of-Way License Agreement Fee (Transportation Fund)
\$40,000	Capital Recovery Fees (Austin Water Utility Fund)
\$4,886	Water Drop-in Fee (Austin Water Utility Fund)
\$3,729,129	Summary of Total Fees Waived

Payments Authorized:

\$500,000	New 15" Wastewater Line (Austin Water Utility Fund)
\$500,000	Total Payments Authorized

ANALYSIS / ADDITIONAL INFORMATION: The total amount of fees waived for this item are estimated at \$3,729,129, with a maximum amount of fee waivers set at no more than \$3,800,000. These waivers are estimated to be required over a 30 month period based on the estimated time needed for development.

In addition to the \$3,729,129 in total fee waivers, the Austin Water Utility and White Lodging have a cost sharing agreement to add a new 15-inch wastewater line. The City will cost share on this item with White Lodging up to a maximum amount of \$500,000. Funding of this \$500,000 is available in the FY 2010-2011 Austin Water Utility Department's Capital Budget. Therefore, a budget amendment is not required.

The total estimated fiscal impact of this item is \$4,229,129 in fee waivers and payments authorized with a maximum impact of \$4,300,000. Waiving fees for this project results in unrealized revenue for the following funds and departments: Austin Water Utility (\$44,886), Transportation Fund (\$3,000,000), Austin Transportation Department, and the General Fund (\$683,818), which includes Austin Fire and Planning and Development Review Departments. Additionally, the Economic Growth and Redevelopment Services Office (EGRSO) will provide a separate economic development analysis which will incorporate the amount of fees and costs proposed for waiver in this item. Although budgeted revenue for fees is based upon historical data and not necessarily upon specific events, the waiver of these fees reduces potential revenues that could be realized.