



## **SUMMARY NOTES ON THE ITEMS ON THE**

### **NOTICE OF MEETING**

#### **IMPACT FEE ADVISORY COMMITTEE THURSDAY, AUGUST 12, 2010**

**NOTICE IS HEREBY GIVEN THAT THE IMPACT FEE ADVISORY COMMITTEE, CREATED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS, WILL CONVENE IN A MEETING ON THURSDAY AUGUST 12, 2010, AT 6:00 P.M., IN THE 1ST FLOOR CONFERENCE ROOM (SUITE 104) OF THE WALLER CREEK CENTER, LOCATED AT 625 EAST 10TH STREET, AUSTIN, TEXAS, FOR THE FOLLOWING PURPOSE:**

The meeting was called to order at 6:10 by Hank Kidwell, Chair, with members John Lewis, Hank Kidwell, Dick Kallerman and Brian Rodgers present. Members Lisa Harris and Bill Moore arrived during the discussion of item 4. Dan Buda was not present. Brian Long, AWU committee liaison, noted that the meeting was being recorded. The audio for this meeting is available for downloading from AWU. (Votes are shown as in favor-opposed-abstaining-absent)

1. Introductions and Overview of Impact Fee Advisory Committee (IFAC). Hank Kidwell introduced the members and noted the attendance of numerous citizens in attendance to discuss the creation of an impact fee for drainage.
2. Discuss and approve July 13, 2010 Impact Fee Advisory Committee meeting minutes. Brian Rodgers moved to approve the minutes as submitted, John Lewis seconded the motion, and the vote was 3 in favor, none opposed, Dick Kallerman abstained, three absent. 3-0-1-3
3. Discuss and take action on the Semi-Annual Impact Fee Report for October 1, 2009 through March 31, 2010 as set forth in the functions of the advisory committee, Austin City Code and Chapter 395.058 of the Texas Local Government Code. Brian Rodgers moved to postpone discussion of the report due to Dick Kallerman not having had time to review the report and his input is important, John Lewis seconded the motion, and the vote was 4 in favor, none opposed, none abstained, three absent. 4-0-0-3
4. Discuss creation of an impact fee for drainage. Members Lisa Harris and Bill Moore arrived at the beginning of this item. Hank Kidwell introduced this item by noting that the City Council directed the Watershed Protection Dept. to develop a proposal for a watershed impact fee. The Texas Local Government Code Chapter 395 requires creation of a landuse assumptions report and capital improvement plan, definition of a service area, definition of service units, calculated maximum allowable fees. After those documents are created they are presented to the IFAC and a public hearing is held. The IFAC prepares its recommendation to the City

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Council. Subsequently, the City Council also holds a public hearing. The City Council has a 30 day time frame to accept or reject the creation of the fee. The Watershed Protection Dept. has been given marching orders by the City Council to look at the feasibility of creating an impact fee for watershed. Ross Crow of the City Law Dept. has advised this committee that, although the IFAC was created for a water and wastewater impact fee, this is also the committee that would deal with a watershed impact fee. Therefore, this committee has decided to help with the investigation for creation of a watershed fee. At previous meetings the committee discussed opening up a meeting for input from the public. We want to hear an update on the development of the state required documents and to hear from the public.

Jose Guerrero, Watershed Protection Department (WPD), made a PowerPoint presentation illustrating the WPD budget and issues that lead to the City Council direction to investigate an impact fee. (The PowerPoint presentation is available for downloading.)

WPD has an aging system and new criteria for dealing with rapid growth in Austin. \$1.2 billion infrastructure needs will take 40 years to catch up at the current budget rate.

Hank Kidwell asked how much of the \$1.2 billion is needed now for existing flow and how much is growth related. Jose Guerrero said it is a mix of both.

John Lewis asked what the situation would be for existing developers who have completed a project, for instance in UNO, before the fee is adopted. No fee would be collected and the availability of land for development or redevelopment would be a factor in deciding if revenue could be captured to justify a service area and fee.

John Lewis also asked what would happen in an area like the Waller Creek TIF. It would always be a decision by the City to create an impact fee service area or not based on the specific situation.

Hank Kidwell asked what benefit accrues to the property owner who pays the fee. Unlike suburban areas where new watershed facilities are built, in developed areas where the streets and storm sewers are existing what benefit is accrued. The landowners would get the benefit of building property line to property line, forcing runoff immediately into the public system rather than holding water on the 25' building setback on the property for a while.

Brian Rodgers pointed out that any analysis would require calculating the infrastructure capacity deficit and subtracting that from the capacity of new facilities included in the fee.

John Lewis mentioned that it is already a requirement for new development to release water no more rapidly than when it was a grassy field.

Harry Savio spoke on behalf of the Home Builders Association of Greater Austin. He said that as the representative of homebuilders he hopes the IFAC recommends not to proceed with a drainage impact fee or at least to exempt single family homes.

He pointed out that Texas Local Government Code Chapter 395 sets standards that would be very difficult to meet with the Austin development situation. The problems are related to downtown where impervious coverage is 100% while residential development is maximum of 45% and does not allow release of water greater than the pre-development situation. Developers are being asked now to super size their facilities to compensate for inadequate downstream capacity. You cannot do that with the rules for an impact fee. You should take a very hard look at the costs of developing the required documents for a fee compared to the responsibility of residential development. This is also a poor time to add fees to single family residential construction.

Laura Touns of Urban Design Group spoke. She has talked to Jose Guerrero about this. Her firm is the consultant for the downtown plan. This is a good discussion to have. They estimate 80% of the infrastructure downtown is undersized, but the condition is not cataloged in GIS. There is a great deal of the system that may be appropriate for private investment and some appropriate for public investment. The complexity is greater than the water and wastewater systems and it is difficult to see how a fee could be developed.

There followed a discussion by committee members about what the Texas Local Government Code Chapter 395 rules would allow, ruling out the impact fee as a method for solving the pre-existing drainage problems.

David Gray of Gray-Jansing spoke. His firm has been responsible for putting 15,000 plus single family lots on the ground. Single family subdivision developers already pay a drainage fee or install onsite facilities. The engineers for developers are not responsible for designing improvements to correct deficiencies all of the way down the city system. Certainly a subdivision in Milwood is not responsible for correcting deficiencies downtown. There is also a question about how the existing fee overlaps the possible impact fee.

Mike McHone of UNO area spoke. He briefed the IFAC about the situation of UNO since the 1940's. During the planning for the UNO overlay the decision was made to handle the drainage issues as regular CIP projects instead of with a special taxing district. Projects were built without contributing to a district, but now the improvements need to be made and development has come to a standstill for economic reasons. Another issue was discovered during investigation of the water table in the area of some developments. A 70 year old AWU water main was leaking and now that it has been repaired the water table situation has been fixed. Another complicating issue is that five large neighborhoods decided that the UNO overlay would be allowed to take on greater density that would allow the other neighborhoods to maintain their existing low density. So how would you equitably quantify the benefits to the other low density neighborhoods and would they be responsible for the run-off and increased infrastructure?

George Murfee of Murfee Engineering spoke. New development is required to maintain the pre-existing flow, not increase the flow. The concept of super-sizing facilities has been done on a voluntary basis. He would be very interested in the situation in the Metroplex where the fee has been tried and the success of that effort and how the fee has been applied. The fairness issue is important for

distinguishing between the existing problems from older development and the impact for new development. The Regional Storm Water Management Plan has been successful in the past getting developers to contribute to broader solutions. How would an impact fee be different than that? Right now is not the time for additional fees with the economy as it is.

John Noell of Urban Design Group spoke. A big part of our drainage infrastructure is our streets and gutters which ultimately deliver the water to storm sewers. Streets that don't drain are a problem that could be fixed with a few hundred feet of curb and gutter. For an impact fee, developing the water and wastewater fee is relatively simple compared to all of the considerations required for drainage. The drainage impact fee would get down to different watershed and sub-watershed fees including all of the calculations and administration involved. In the inner city watersheds is a fee really going to generate enough revenue to put a dent in the revenue needs? Probably not.

John King of Raymond Chan & Associates spoke at the request of Julia Herrod, President Elect of the Texas Society of Professional Engineers (TSPE). She wanted the message relayed to you that on behalf of TSPE, the engineers in the public and private sector are here to offer their assistance to you in what ever way you might want to use us. However, there is a concern that with the engineers involved, could this become a self-fulfilling prophecy. We're concerned that we act ethically.

Mike Ways of Freese and Nichols spoke. He was involved in developing the watershed impact fee for the City of Corinth in the DFW area. The City of Colony also developed a fee. Those are the only two cities with fees he knows of. The City of Corinth has the multiple fees for multiple watersheds. The City of Colony has one watershed and one fee. Freese and Nichols had just completed a master plan for Corinth across all of the watersheds. Right after the master plan was completed they were updating their water and wastewater impact fees and wanted to develop drainage and street impact fees. They developed the 10-year landuse plan, 10-year hydrology plan and how much could be allocated to existing and future development. The service unit for non-residential development was one impervious acre and for residential a dwelling unit. Brian Rodgers asked what the rationale is for infill development which contains the flow onsite also would have a fee. Corinth did not have the criteria Austin has for impact downstream. There is a difference, an increase, when development occurs even when the flow rate is held constant.

John Doucet of Doucet and Associates spoke. It seems that an impact fee downtown would be unfair with so much developed. He has been involved in drainage impact fees in California where they do not have Austin type detention controls. It seems in Austin's situation a general downstream mitigation tax or special district is fairer. Austin has been desirable place because the cost of living has been reasonable and adding impact fees would be heading in the wrong direction.

Hank Kidwell noted that there were no more speakers on this item. He thanked the speakers and asked Jose Guerrero to incorporate the comments received tonight.

5. Discuss Committee participation at the September 14, 2010 Urban Transportation Commission (UTC) meeting. The IFAC members will speak as individuals because the IFAC does not have any action to report, but it will be made known to the UTC that the individuals are members of the IFAC. Brian Rodgers, who intends to speak, needs to move the presentation date from September to October. Hank Kidwell said he will talk to Rob Spillar, Transportation Director, to change the date of the IFAC individual members' presentations at the UTC.
6. Discuss other items that are pertinent to the functions of the advisory committee. No other business was brought up. A motion to adjourn was made by Brian Rodgers, second by John Lewis, all voted in favor. 6-0-0-1.

UPON REQUEST, INFORMATIONAL MATERIALS WILL BE PROVIDED IN AN ACCESSIBLE FORMAT. THE UTILITY'S PRIMARY TEXT TELEPHONE NUMBER IS 972-0102.