

Water and Wastewater Impact Fees Update



Impact Fee Advisory Committee
August 8, 2013





Background & Update Highlights

- Austin impact fees apply only to water and wastewater infrastructure
- Collections average approximately \$6.0 million annually
 - As a policy, Austin's collected fees have been less than the calculated maximum allowable
 - Growth investments not recaptured through impact fees are made up through rates
 - Impact fees are waived for affordable housing projects
- State law requires the impact fees to be updated every 5 years.
 - The most recent update was adopted by Council in 2007
- Joint Committee Recommendation (presented to Council on June 28):
 - Item 3.1: Impact Fees: Adopt an impact fee policy that calculates the maximum impact fee allowed by law. Consider the elimination of the current zone discount policy that has the effect of subsidizing infrastructure for new development.



Stakeholder and Public Involvement

- Impact Fee Advisory Committee (IFAC) Meetings
- Internet
 - IFAC Boards & Commissions Website
 - AWU Impact Fee Website with option for Submitting a Question and/or Comment
- Hosted a Community Input Meeting
- Presented the Update to various Stakeholders:
 - Internal:
 - Planning and Development Review (x3)
 - Neighborhood Housing
 - External:
 - Home Builders Association (HBA)
 - Real Estate Council of Austin (RECA)
 - Downtown Austin Alliance (DAA)
 - Austin Area Chamber of Commerce
- Integration with FY2013-2014 AWU Budget Process
 - Included additional public input opportunities
 - Helped provide context in relationship to complete AWU budget
- Joint RECA-DAA-HBA Meeting on June 18, 2013

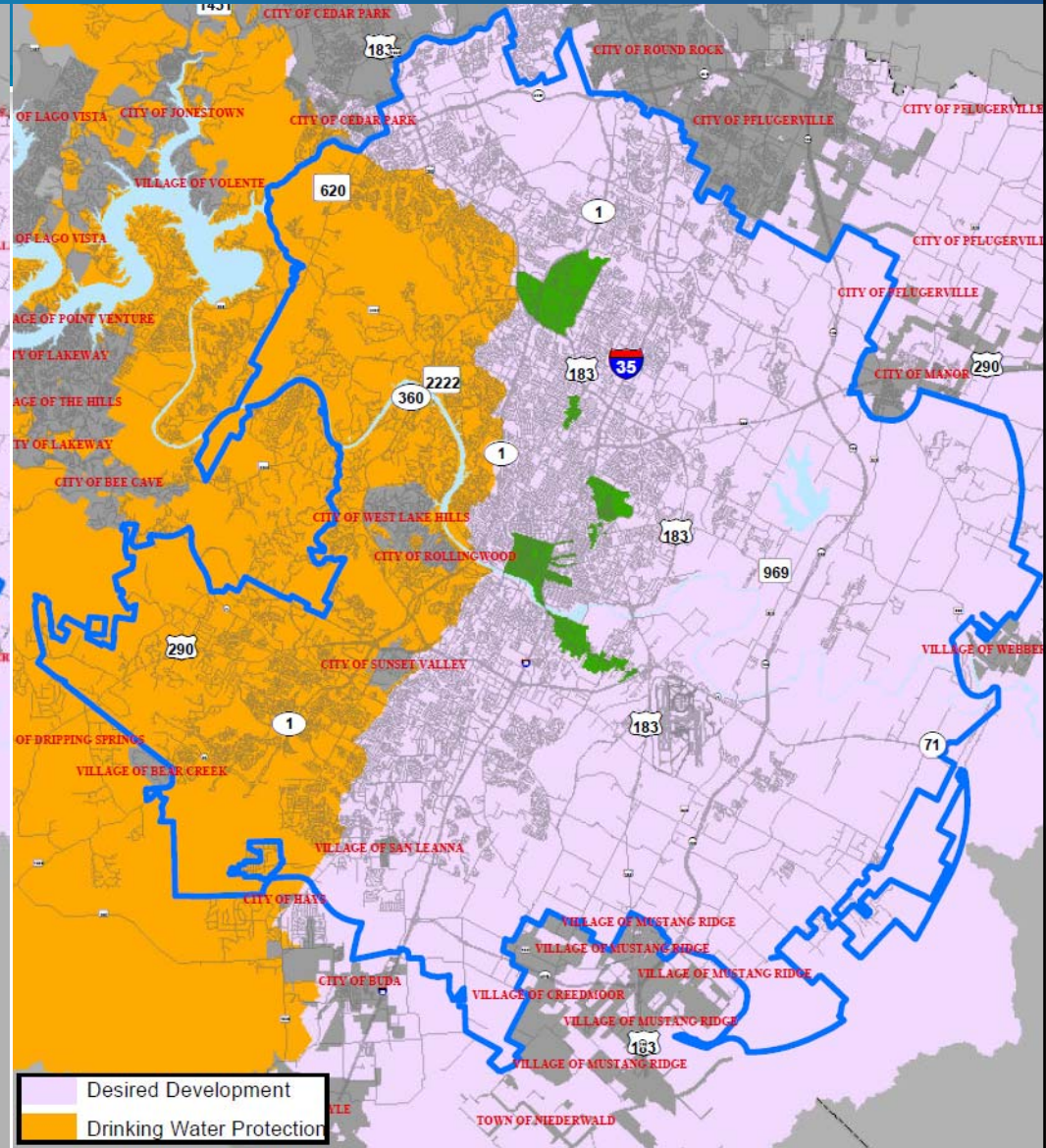
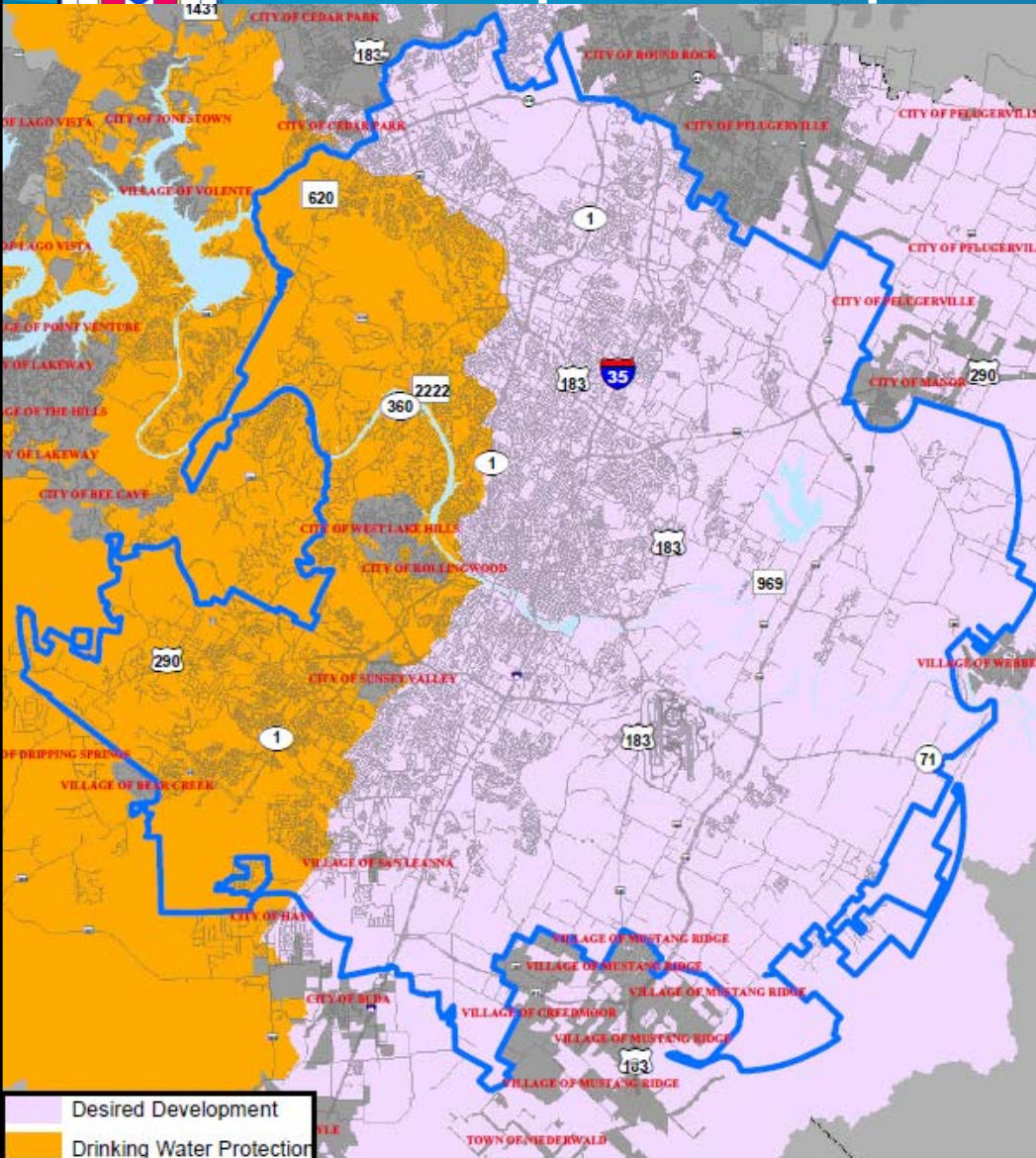


New Options since last IFAC Meeting on February 26 – Options 4 and 4i

OPTION 4:						OPTION 4i: Imagine Austin (IA) Incentive						
Water:						Water:						
Current Impact Fees			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			Collected Fees: DWPZ 85%, DDZ 60%, and IA Incentive Areas 50% of max allow.			
			Collected Fees: DWPZ 85%, and DDZ 60% of max allow.			Compared to Current Fees:			Collected fee:			
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$3,307	100%	\$5,415	100%	\$2,108	64%	\$5,415	100%	\$2,108	64%	\$2,108	64%
Collected fee:			Collected fee:			Collected fee:			Collected fee:			
DWPZ - Outside ETJ Fee	\$2,500	75%	DWPZ	DWPZ	\$2,100	84%	DWPZ	DWPZ	\$2,100	84%	N/A	N/A
DWPZ - ETJ Fee	\$2,500	75%	Areas:	Areas:	\$2,100	84%	Areas:	Areas:	\$2,100	84%	N/A	N/A
DWPZ - Inside City Fee	\$2,200	65%	\$4,600	85%	\$2,400	109%	\$4,600	85%	\$2,400	109%	N/A	N/A
DDZ - ETJ Fee	\$1,800	55%	DDZ	DDZ	\$1,400	78%	DDZ	DDZ	\$1,400	78%	\$900	50%
DDZ - Inside City Fee	\$1,000	30%	Areas:	Areas:	\$2,200	220%	Areas:	Areas:	\$2,200	220%	\$1,700	170%
DDZ - Urban Watersheds Fee	\$800	25%	\$3,200	60%	\$2,400	300%	\$3,200	60%	\$2,400	300%	\$1,900	238%
DDZ - CURE	\$700	20%			\$2,500	357%	IAAs: \$2,700	50%	N/A	N/A	\$2,000	286%
Wastewater:						Wastewater:						
Current Impact Fees			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			Collected Fees: DWPZ 85%, DDZ 60%, and IA Incentive Areas 50% of max allow.			
			Collected Fees: DWPZ 85%, and DDZ 60% of max allow.			Compared to Current Fees:			Collected fee:			
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$1,852	100%	\$2,284	100%	\$432	23%	\$2,284	100%	\$432	23%	\$432	23%
Collected fee:			Collected fee:			Collected fee:			Collected fee:			
DWPZ - Outside ETJ Fee	\$1,400	75%	DWPZ	DWPZ	\$500	36%	DWPZ	DWPZ	\$500	36%	N/A	N/A
DWPZ - ETJ Fee	\$1,400	75%	Areas:	Areas:	\$500	36%	Areas:	Areas:	\$500	36%	N/A	N/A
DWPZ - Inside City Fee	\$1,200	65%	\$1,900	85%	\$700	58%	\$1,900	85%	\$700	58%	N/A	N/A
DDZ - ETJ Fee	\$1,000	55%	DDZ	DDZ	\$400	40%	DDZ	DDZ	\$400	40%	\$100	10%
DDZ - Inside City Fee	\$600	30%	Areas:	Areas:	\$800	133%	Areas:	Areas:	\$800	133%	\$500	83%
DDZ - Urban Watersheds Fee	\$500	25%	\$1,400	60%	\$900	180%	\$1,400	60%	\$900	180%	\$600	120%
DDZ - CURE	\$400	20%			\$1,000	250%	IAAs: \$1,100	50%	N/A	N/A	\$700	175%



Maps for Options 4 & 4i





New Options since last IFAC Meeting on February 26 – Option 5

OPTION 5: Max Allowable

Water:

Max Allow. Calc. Method:
Austin-Specific Rate Rev. Credit

Collected Fees: Round down
from max allow. to nearest \$100

Current Impact Fees			Compared to Current Fees:		
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease) % Change
Maximum Allowable Fee	\$3,307	100%	\$5,415	100%	\$2,108 64%
Collected fee:			Collected fee:		
DWPZ - Outside ETJ Fee	\$2,500	75%			\$2,900 116%
DWPZ - ETJ Fee	\$2,500	75%			\$2,900 116%
DWPZ - Inside City Fee	\$2,200	65%	All Areas:	All Areas:	\$3,200 145%
DDZ - ETJ Fee	\$1,800	55%	\$5,400	100%	\$3,600 200%
DDZ - Inside City Fee	\$1,000	30%			\$4,400 440%
DDZ - Urban Watersheds Fee	\$800	25%			\$4,600 575%
DDZ - CURE	\$700	20%			\$4,700 671%

Wastewater:

Max Allow. Calc. Method:
Austin-Specific Rate Rev. Credit

Collected Fees: Round down
from max allow. to nearest \$100

Current Impact Fees			Compared to Current Fees:		
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease) % Change
Maximum Allowable Fee	\$1,852	100%	\$2,284	100%	\$432 23%
Collected fee:			Collected fee:		
DWPZ - Outside ETJ Fee	\$1,400	75%			\$800 57%
DWPZ - ETJ Fee	\$1,400	75%			\$800 57%
DWPZ - Inside City Fee	\$1,200	65%	All Areas:	All Areas:	\$1,000 83%
DDZ - ETJ Fee	\$1,000	55%	\$2,200	100%	\$1,200 120%
DDZ - Inside City Fee	\$600	30%			\$1,600 267%
DDZ - Urban Watersheds Fee	\$500	25%			\$1,700 340%
DDZ - CURE	\$400	20%			\$1,800 450%

Note: In the tables above, collected fee amounts are rounded to the nearest \$100

DWPZ: Drinking Water Protection Zone

DDZ: Desired Development Zone

ETJ: Extraterritorial Jurisdiction

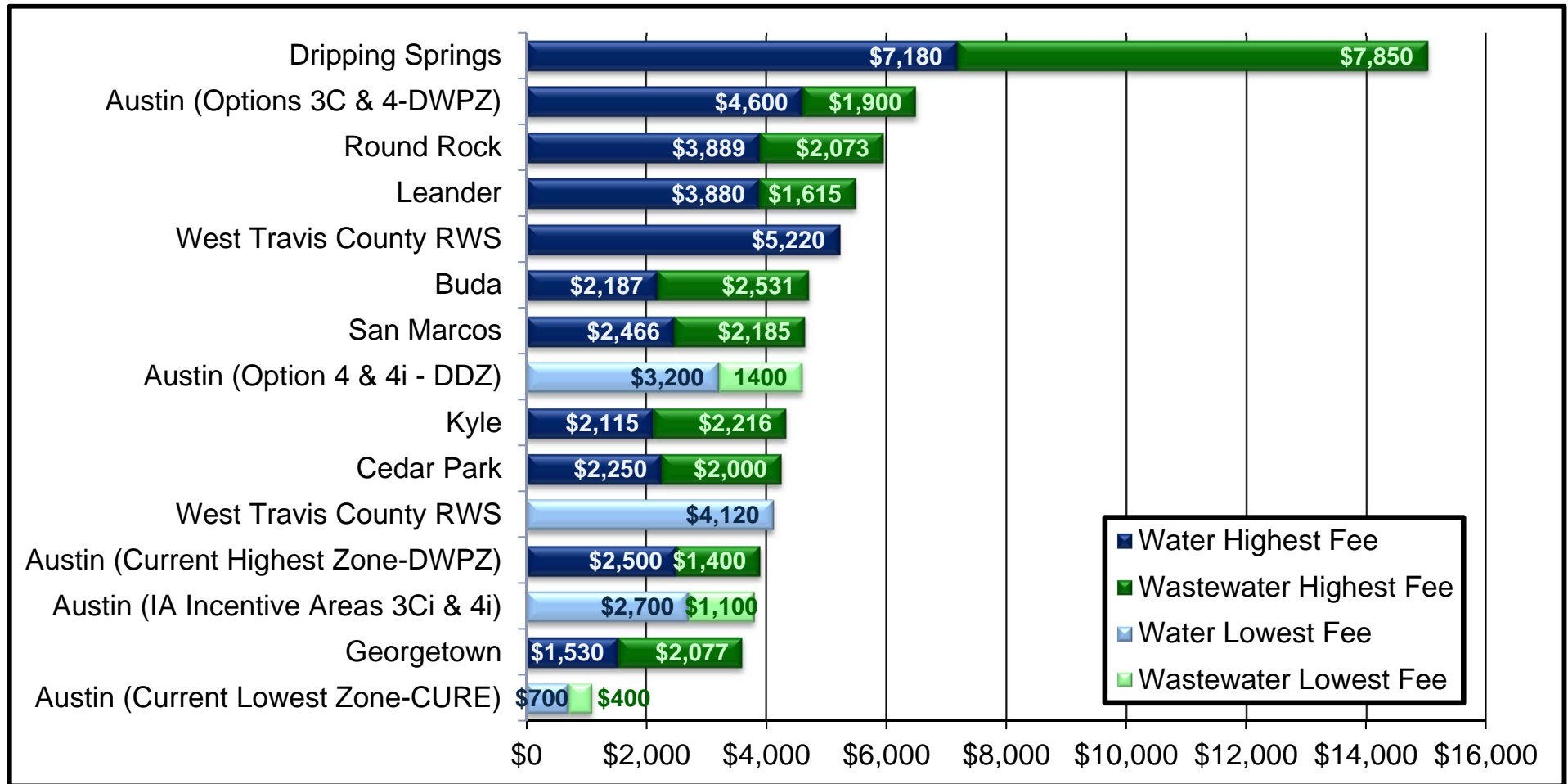
SU: Service Unit

An Impact Fee Service Unit (SU) represents a standard 5/8-inch meter - for service unit equivalents of larger meters, see SU equivalency table

Current impact fees are for lots that were platted on or after October 1, 2007. For lots platted prior to this date see previous fee schedules in effect at time of platting.

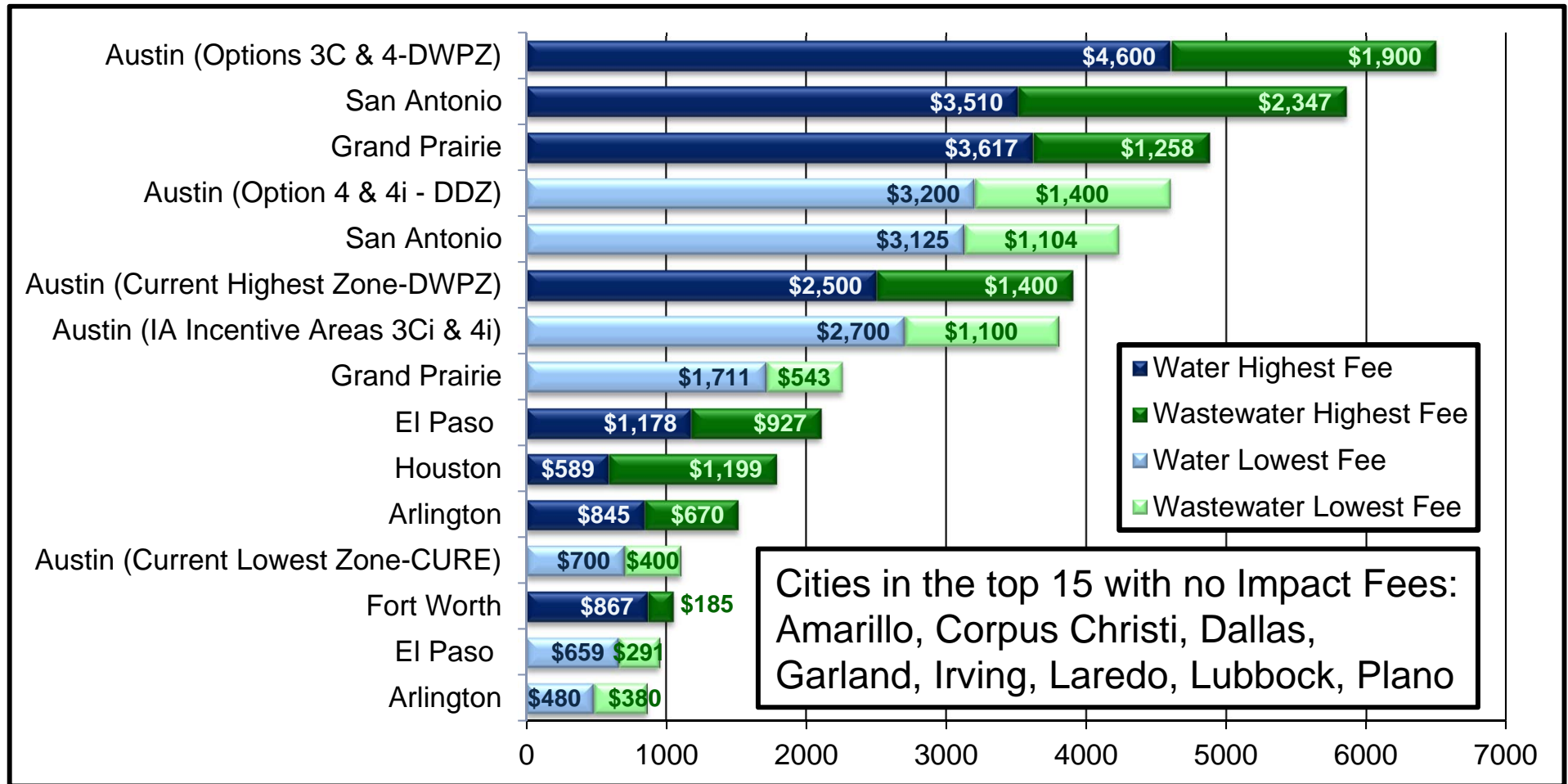


Water & Wastewater Impact Fees Comparison Central Texas Cities





Water & Wastewater Impact Fees Comparison Top 15 Large Texas Cities





Impact Fee Collections Summary

	Projected 10-Year Revenue at Proposed Options (1)	Projected 10-Year Revenue at Current Rates (2)	Increase to Current Projected
Option 1	\$ 114,097,113	\$ 106,754,160	\$ 7,342,953
Option 2	134,328,003	106,754,160	27,573,843
Option 3A	224,004,980	106,754,160	117,250,820
Option 3B	233,186,165	106,754,160	126,432,005
Option 3C	245,360,188	106,754,160	138,606,028
Option 3Ci	179,240,493	106,754,160	72,486,333
Option 4	198,805,488	106,754,160	92,051,328
Option 4i (high) (3)	195,552,145	106,754,160	88,797,985 *
Option 4i (low) (4)	179,240,493	106,754,160	72,486,333 *
100% Maximum Allowable	282,022,572	106,754,160	175,268,412

(1) Includes phasing and waivers. Does not include adjustments.

(2) Includes waivers. Does not include adjustments or phasing.

(3) 85% DWPZ and 60% DDZ with Imagine Austin (IA) Incentive.

(4) 85% DWPZ and 50% DDZ with Imagine Austin (IA) Incentive.

* Average of 4i high and low options is \$80,642,159

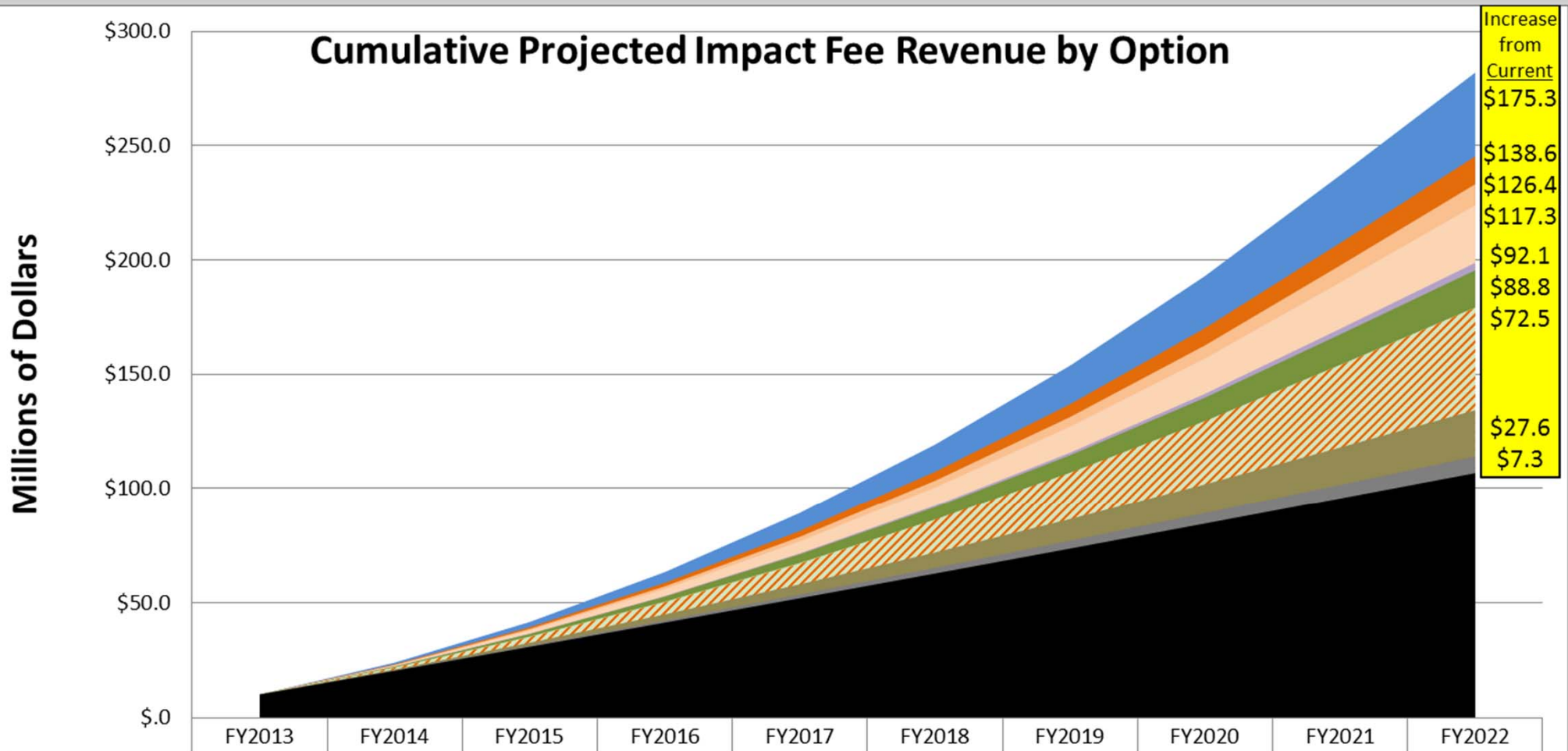
Full document via link:

http://www.ci.austin.tx.us/water/wwcommission/pdfs/Impact_Fee_Update.pdf



Projected Impact Fee Revenue

Cumulative Projected Impact Fee Revenue by Option





Combined Water + WW

	Current Impact	Option 3C		Option 3Ci		Imagine Austin Incentive Areas		Option 4i		Imagine Austin Incentive Areas		Option 5	
Water + Wastewater	\$ per Service Unit	\$ per Service Unit	% of Curr.	\$ per Service Unit	% of Curr.	\$ per Service Unit	% of Curr.	\$ per Service Unit	% of Curr.	\$ per Service Unit	% of Curr.	\$ per Service Unit	% of Curr.
DWPZ - Outside ETJ Fee	\$3,900	\$6,500	167%	\$6,500	167%	N/A	N/A	\$6,500	167%	N/A	N/A	\$7,600	195%
DWPZ - ETJ Fee	\$3,900	\$6,500	167%	\$6,500	167%	N/A	N/A	\$6,500	167%	N/A	N/A	\$7,600	195%
DWPZ - Inside City Fee	\$3,400	\$6,500	191%	\$6,500	191%	N/A	N/A	\$6,500	191%	N/A	N/A	\$7,600	224%
DDZ - ETJ Fee	\$2,800	\$6,500	232%	\$6,500	232%	\$3,800	136%	\$4,600	164%	\$3,800	136%	\$7,600	271%
DDZ - Inside City Fee	\$1,600	\$6,500	406%	\$6,500	406%	\$3,800	238%	\$4,600	288%	\$3,800	238%	\$7,600	475%
DDZ - Urban Watersheds Fee	\$1,300	\$6,500	500%	\$6,500	500%	\$3,800	292%	\$4,600	354%	\$3,800	292%	\$7,600	585%
DDZ - CURE	\$1,100	\$6,500	591%	N/A	N/A	\$3,800	345%	N/A	N/A	\$3,800	345%	\$7,600	691%

Notes:

1. In the tables above, collected fee amounts are rounded to the nearest \$100 and collected fees cannot exceed the MAIF.
2. Proposed 5-year Update Maximum Allowable Impact Fees (MAIF): Water = \$5,415; Wastewater = \$2,284; Water+WW = \$7,699
3. All proposed fees in the Drinking Water Protection Zone (DWPZ) areas are set at 85% or greater of MAIF
4. An Impact Fee Service Unit (SU) represents a standard 5/8-inch meter - for service unit equivalents of larger meters, see SU equivalency table
5. Current impact fees valid for lots platted on or after October 1, 2007. For lots platted prior to this date see previous fee schedules in effect at time of platting.



Next Steps

- August 26th to the 29th – Finalize Impact Fee Report and make available to public
 - Within 60-days: set the public hearing date to discuss the proposed update and determine whether or not to adopt the proposed amendments to the plan.
 - August 26 allows for approval on either Oct 3, Oct 17 or Oct 24...
- Thursday, August 29 – Council - Set Public Hearing for October 17
- Advertise in newspaper per State Law
- Mid/Late-September and/or Early October – IFAC Meeting
- Wed., Sept 11 and/or Oct 9 – WWW Commission - Approve IF Report and Fees
- Late-Sept or Early Oct – Council - Work Session and/or Audit & Finance Comm.
- Thurs, Oct 17 – Council - Impact Fees Public Hearing & Approve Impact Fee Report and Fees & Approve Budget Amendment with new Impact Fees starting Nov. 1
- January 1, 2014 – New fees go into effect
 - Additional time needed between the new fees being approved and going into effect in order to facilitate modifications to the billing system.