

## FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**
**CONTACT DEPARTMENT(S):**

Austin Water/ Neighborhood Housing

**SUBJECT:**

C814-2015-0074 - The Grove at Shoal Creek PUD - District 10 - Conduct a public hearing and approve an ordinance amending City Code Chapter 25-2 by zoning property locally known as 4205 Bull Creek Road (Shoal Creek Watershed) from unzoned (UNZ) district zoning to planned unit development (PUD) district zoning. Staff Recommendation: To grant planned unit development (PUD) district zoning. Zoning and Platting Commission Recommendation: To grant planned unit development (PUD) district zoning. Owner/Applicant: ARG Bull Creek, Ltd. (Garrett Martin). Agent: Thrower Design (A. Ron Thrower). City Staff: Sherri Sirwaitis, 512-974-3057.

**ANALYSIS / ADDITIONAL INFORMATION:**

The fiscal information outlined below is the result of the proposed The Grove development Traffic Impact Analysis memorandum dated July 11, 2016. This fiscal note is subject to change based on Council direction during future readings.

**AUSTIN WATER UTILITY**
Assumptions:

- Fiscal Note assumes development units as outlined in The Grove Traffic Impact Analysis memorandum.

Developer assumptions on residential units receiving 100% S.M.A.R.T. housing capital recovery fee waivers:

- 110 single family lots (5/8" meters) totaling 110 service units
- 425 residential condo units totaling 298 service units
- 600 apartment units totaling 300 service units

Developer assumptions on office, retail, and rest home paying full capital recovery fees:

Unknown meter sizes totaling 224 service units of capital recovery fees

- Capital Recovery Fees assume current approved rates of \$5,400 for water and \$2,200 for wastewater
- Rate and bill impacts assume The Grove units to be added over a 20-year buildout estimate
- Current average residential customer water and wastewater monthly bill is \$80.24 based on 5,800 gals. water and 4,000 gals. wastewater

Capital Recovery Fee Waivers for S.M.A.R.T. Housing:

- Austin Water would waive an estimated \$5,380,800 in capital recovery fees for the 100% waivers for single family lots and residential condo units
- Over a 20-year buildout schedule, an average of \$269,040 capital recovery fees would be waived each year

Capital Recovery Fee Collections for Non-Residential units:

- Austin Water would collect an estimated \$1,702,400 in capital recovery fees for the non-residential meters for office, retail, and rest home properties

Service Revenues:

- Austin Water would receive an estimated average annual water and wastewater service revenue of \$445,194 over the 20-year buildout estimate. Revenue in earlier years would be below the annual average, while revenue in later years would be more than the annual average.

Rate and Bill Impacts of Capital Recovery Fee Waivers for Pilot Knob

- Rate increases associated with The Grove capital recovery fee waivers would likely be spread out over the first 5-7 years of development when units built per year would grow to an average of 47 per year
- Total water and wastewater rate impact would be 0.05% increase
- Total water and wastewater bill impact would be \$0.10 per month or \$1.20 annually per customer
- First year rate impact in 2017 would be minimal, then building to total impact

**Austin Water  
The Grove Rate Impacts  
30 and 20 Year Buildout**

**Developer Provided Units in SER Application**

**Rate and Bill Impacts of CRF Waivers**

**20 Year Buildout - 1,359 LUEs**

Total LUEs 20 Years:	932
Average Annual LUEs - 30 Years:	47
Total Fees Waived (SER App):	\$ 5,380,800
Average Fees Waived Per Year - 20 years:	\$ 269,040
Forecast Revenue - 2017:	\$ 572,704,228
Rate Impact:	0.05%

**Customer Bill Impact:**

Average Fees Waived Per Year - 20 years:	\$269,040
Total Customers - Current	224,000
Bill Impact Per Customer Per Year	\$1.20
Bill Impact Per Customer Per Month	\$0.10

**Capital Recovery Fees Used For:**

- Payment of debt service on growth related projects
- Use for defeasance of existing debt related to growth projects

**Waived Capital Recovery Fees Impact:**

- All current ratepayers must pay for greater share of growth related costs
- Waivers for Pilot Knob exempts development from contributing to all other growth related system projects

## Austin Water

### The Grove CRF Collection and Waiver Calculations

#### The Grove CRF and Waiver Calculation Detail

##### The Grove CRF Calculation

Unit Type	# of Meters/ Units / Sq Ft	Meter Size	Service Units	CRF/SU	Total CRFs
Single Family	110	5/8"	110	\$ 7,600	\$ 836,000
Residential Condos	425	5/8"	298	\$ 7,600	\$ 2,264,800
Apartments	600		300	\$ 7,600	\$ 2,280,000
Congregate Care Facility	600				
Office / Retail	368,000 Sq Ft		224	\$ 7,600	\$ 1,702,400
Total CRF Calculation					<u><u>\$ 7,083,200</u></u>

##### The Grove CRF Waiver Calculation

Unit Type	# of Meters	Meter Size	Service Units	CRF/SU	Total CRFs
Single Family	110	5/8"	110	\$ 7,600	\$ 836,000
Residential Condos	425	5/8"	298	\$ 7,600	\$ 2,264,800
Apartments	600		300	\$ 7,600	\$ 2,280,000
Total CRFs Waived					<u><u>\$ 5,380,800</u></u>

##### The Grove CRFs Collected by Austin Water

Unit Type	# of Meters	Meter Size	Service Units	CRF/SU	Total CRFs
Office / Retail / Rest Home			224.0	\$ 7,600	\$ 1,702,400
Total CRFs Collected by Austin Water					<u><u>\$ 1,702,400</u></u>

While no waivers will be provided, it is difficult to determine the CRF amounts that Austin Water will receive without having specific meter sizes.

Development Services Department  
The Grove  
August 2, 2016

Subdivision Application	Subdivision Inspection	Site Plan Application	Commercial Plan Review (Apts & Con Care)	Commercial Building Permits (Apts & Con Care)	Residential Plan Review (SF Homes)	Residential Plan Review (Condos)	Residential Building Permits (SF and Condos)	Estimated Total
75.74	75.74	75.74	1,200	1,200	110	425	535	
\$ 183.80	\$ 1,173.28	\$ 293.84	\$ 1,235.00	\$ 1,023.36	\$ 355.68	\$ 114.40	\$ 705.12	
\$ 13,921	\$ 88,864	\$ 22,255	\$ 1,482,000	\$ 1,228,032	\$ 39,125	\$ 48,620	\$ 377,239	\$ 3,300,057

Amounts calculated above are based on the following assumptions:

1. There are three site plans and two development permits for roadway improvements.
2. There is only one review cycle for the residential and commercial applications.
3. The average size single family home is 2,500 square feet.
4. The average size apartment is 1,200 square feet.
5. Residential Plan Review for Condos assumes 4 units/building.
6. All listed fees include a 4% Development Services Surcharge fee.
7. Calculations do not consider future fee increases.