



NOTICE OF MEETING OF THE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE OF THE CITY OF BURNET, TEXAS

This notice is posted pursuant to the Texas Local Government Code, Chapter §551 – Open Meetings.

Notice is hereby given that the **Public Hearing of the Capital Improvements Advisory Committee** of the City of Burnet, Texas will be held on Monday, **December 2, 2024**, at **6:00 p.m.** at the City of Burnet's Council Chambers located at 2402 S Water St., Burnet, Texas 78611 at which time the following subjects will be discussed, to-wit:

1. CALL TO ORDER:

2. ROLL CALL:

3. PUBLIC HEARING AND ACTION:

- 3.1) The Capital Improvements Advisory Committee will hold a public hearing for the purpose of formulating a recommendation to the City Council regarding the amendment or update of water and wastewater impact fees.

- (1) Staff Presentation
- (2) Public Hearing
- (3) Consideration and action.

ADJOURN:

I, the undersigned authority, do hereby certify that the above Notice of Meeting of the Planning and Zoning Commission of the City of Burnet, is a true and correct copy of said notice and that I posted a true and correct copy of said notice on the bulletin board, in the City Hall of said City, Burnet, Texas, a place convenient and readily accessible to the general public at all times, and said notice was posted on November 26, 2024 at or before 5 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this the 26th day of November 2024

Leslie Kimbler, Asst. City Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The City of Burnet Council Chambers is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to the meeting. Please contact the City Secretary's Office at (512) 715-3209, FAX (512) 756-8560 or e-mail at citysecretary@cityofburnet.com for information or assistance.



Development Services

ITEM 3.1

Leslie Kimbler
Planner
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Public Hearing and Action Item

Meeting Date: December 2, 2024

Agenda Item: The Capital Improvements Advisory Committee will hold a public hearing for the purpose of formulating a recommendation to the City Council regarding the amendment or update of water and wastewater impact fees.

Background: City Ordinance 2004-22 establishes a City of Burnet Capital Improvement Plan that includes a system for assessment of community water and wastewater impact fees. These impact fees are assessed when a new water and/or sewer tap is installed (or when an existing service is upsized). Impact fees are intended to allow the City to recover water/sewer infrastructure costs associated with future development.

The calculation, assessment, and use of impact fees are governed by Chapter 395 of the Texas Local Government Code. The Code requires five-year reviews and updates of the assumptions used to establish fee assessment rates. Updates may or may not require adjustments to impact fee assessments.

At the November 12th City Council meeting, City Council appointed the four members of the current Planning and Zoning Commission, along with Gayle Loyd, to serve as the Capital Improvements Advisory Committee. The CIAC, is charged with formulating recommendations regarding land use assumptions and impact fee assessments. For the purpose of the 2024 update, the CIAC will only be considering impact fees. City Council, following its receipt of the CIAC report, will act on the recommendations provided.

Information: The City has retained NewGen Strategies and Solutions, LLC to manage the impact fee review and update process. NewGen is a consulting firm that specializes in municipal utilities. NewGen representatives will provide information and guidance to the CIAC regarding its role and responsibilities relating to the 2024 impact fee update.

NewGen is not recommending any fee adjustment as part of the City's 2024 update.

Recommendation: Open the public hearing. At the conclusion of the public hearing, formulate recommendations regarding the City's 2024 impact fee update.



November 12, 2024

CITY OF BURNET, TEXAS

WATER AND WASTEWATER IMPACT FEE UPDATE



IMPACT FEES

What are they?

- Mechanism that allows municipalities the ability to recover infrastructure costs associated with future development
 - New construction or facility expansion to serve future development during the next ten (10) years
- Governed by Chapter 395 of the Texas Local Government Code
 - *“Impact Fee means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development”*

Texas Local Government Code §395.001

IMPACT FEES

What costs are
recoverable?

- Construction
- Surveying and engineering
- Land acquisition and associated costs
- Financing costs
- Engineering costs associated with Land Use/Capital Improvements Planning and/or financial consulting associated with developing Impact Fees (Not employed by the City)

IMPACT FEES

What costs are not
recoverable?

- Capital Improvement Projects NOT identified in the Impact Fee CIP
- Operations and Maintenance costs
- Improvements associated with existing deficiencies
- Administrative and Operational Costs of the City
- Non-Impact Fee CIP Debt Service

IMPACT FEES

How are they
calculated?

- Land Use and Population Projections
- Capital Improvements Plan (Master Plan)
 - Description of existing facilities and the costs to meet existing needs and deficiencies
 - Analysis of existing capacity and commitments
 - Description of capital improvements and associated costs attributable to new development based on the approved Land Use Assumptions
 - Projected new service units based on approved Land Use Assumptions
 - Develop 10-year Impact Fee CIP and costs

IMPACT FEES

How are they
calculated?
(continued)

- Financing Costs
- Revenue Credit Calculation or 50% Credit
 - Revenue Credit Calculation – a credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period (10-years) that is used for payment of projects included in the Impact Fee CIP
- Maximum Assessable Impact Fee

$$\text{Impact Fee} = \frac{\text{Cost of Impact Fee CIP} - \text{Credit}}{\text{New Service Units}}$$

IMPACT FEES

Administration

- **Assessment vs. Collection**
 - Assess at the time of final plat recordation
 - Collect at the time of building permit
- **Accounting**
 - Separate interest-bearing account for each impact fee category and service area
 - Interest earnings held to same restrictions as Impact Fees
- **Refunds**
 - If service not available, may collect fee, but water and sewer improvements must start within 2 years and be completed within 5 years
 - Impact Fees refunded, including interest, if not spent within 10 years after collection
 - Refunded to property owner at time of refund
- **Update at least every five years**
 - Period begins on the day the Impact Fee CIP is adopted
 - CIAC to provide comments to Council for any updates

IMPACT FEES

“CIAC” – Capital
Improvements
Advisory Committee

- At least five members appointed by the City Council
 - Code allows for Planning and Zoning Committee to act as CIAC
- Roles:
 - Advise, review, and monitor Land Use Assumptions, Impact Fee CIP, and Impact Fees
 - File reports/comments to City Council

IMPACT FEES

History In Burnet

2019	Decision for no update
2014	Decision for no update
2008	Full impact fee analysis completed
2004	Impact fee established in Ordinance 2004-22 <ul style="list-style-type: none">• Water = \$1,084.50• Wastewater = \$1,173.00

IMPACT FEES

Wastewater Recommendations

- After discussions with City staff regarding current planning and projected capital uses, as well as reviewing available information, the Project Team recommends that no update to the wastewater Land Use Assumption, Capital Improvements, or Impact Fee is called for at this time
- We recommend that if expected growth patterns or required capital needs change, then Land Use Assumptions, Capital Improvements Plan, or the Impact Fees should again be evaluated for amendment specific to wastewater at that time

IMPACT FEES

Water Recommendations

- The City is constructing a water well project that will add critical water supply capacity to support new growth
- Recommendations
 - The City consider an update to its water-related Impact Fee CIP to include recovery of this project in water Impact Fees
 - No change to the water Impact Fee at this time

IMPACT FEES

KEY ASSUMPTIONS

- Within next ten years:
 - 489 new water connections
- New well project anticipated to support 1,667 new connections
 - 29.3% of the project will be utilized in the 10-year Impact Fee window



WATER IMPACT FEE CIP

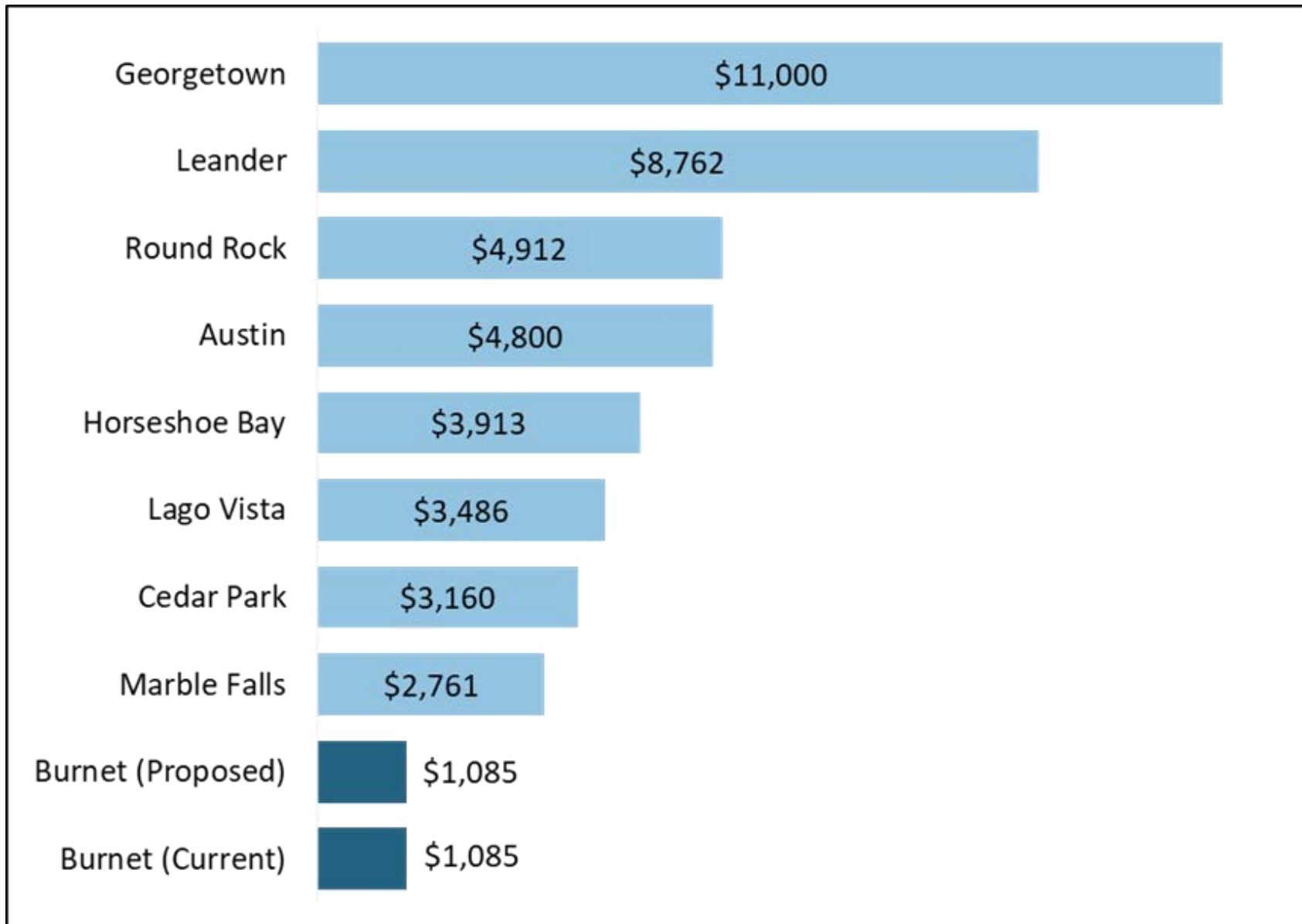
Project	Percent Utilization			Capital Cost	Project Costs		
	Current Development	2024-2034 Development	Beyond 2034		Current Development	2024-2034 Development	Beyond 2034
1.0 MGD Water Treatment Plant	100.0%	0.0%	0.0%	\$2,429,099	\$2,429,099	\$0	\$0
New Water Well Project	0.0%	29.3%	70.7%	3,135,000	0	919,344	2,215,656
Total	43.7%	16.5%	39.8%	\$5,564,099	\$2,429,099	\$919,344	\$2,215,656

WATER IMPACT FEE CALCULATIONS

Line	Description	Calculation
1	Recoverable Cost for Impact Fee Planning Period	\$ 919,344
2	Add: Financing Costs	556,067
3	Less: Existing Fund Balance	(388,967)
4	Recoverable Cost of Wastewater Impact Fee and Financing Costs Less Balance	\$ 1,086,444
5	Less: 50% Credit	(543,222)
6	Recoverable Water Impact Fee Eligible Cost	\$ 543,222
7	Divide: Additional Service Units Added During Planning Period	489
8	Maximum Assessable Fee	\$ 1,111
9	Current Wastewater Impact Fee	\$ 1,085
10	<i>Variance</i>	\$ 27

WATER REGIONAL COMPARISON

Impact Fees
(3/4-inch meter)





QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
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RICHARDSON, TEXAS 75080

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