

Mayor and Council Communication

DATE: 12/03/19

M&C FILE NUMBER: M&C 19-0356

LOG NAME: 60IMPACT FEE STUDY UPDATE 2022

SUBJECT

Authorize Execution of an Agreement, with Freese and Nichols, Inc., in the Amount of \$600,000.00 to Update Land Use Assumptions and the Water and Sewer Impact Fee Schedule, Incorporate Revisions in the Water and Sewer Capital Improvements Plan, and Update Wastewater Model and Adopt Appropriation Ordinances (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinances increasing receipts and appropriations in the Water Impact Fee in the amount of \$300,000.00; and Sewer Impact Fee Fund in the amount of \$300,000.00 from available funds; and
 2. Authorize the execution of an Agreement with Freese and Nichols, Inc., in an amount not to exceed \$600,000.00 to update the Water and Wastewater Land Use Assumptions and Capital Improvements Plan for the purpose of revising the impact fee assessed for water and wastewater in accordance with Chapter 395 of the Texas Local Government Code (City Project No. 102211).
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DISCUSSION:

Chapter 395 of the Texas Local Government Code provides authorization for local governments to enact and impose impact fees for capital improvements related to water and wastewater facilities, storm drainage and flood control facilities and roadway facilities.

Since the early 1990s, the City has assessed Water and Wastewater Impact Fees pursuant to the Chapter 35, Article III, and Division 2 of the City Code. State law and Section 35-70.13(a) of the City Code requires that the City update the Land Use Assumptions and Capital Improvements Plan at least every five years, commencing from the date of adoption of such plans, and recalculate the Impact Fees in accordance with the procedures set forth in Chapter 395 of the Texas Local Government Code. On December 6, 2016, the City Council approved the last update and the City Council approved the revised impact fees to allow for the collection of 40 percent of the maximum assessable water and wastewater fee per service unit (Ordinance No. 22525-12-2016).

To comply with City procedure and the Water Departments Wholesale Contracts, the Water Department formed a Wholesale Customer Sub-advisory Committee and issued a Request For Qualifications for the selection of an engineering consultant. After incorporating input from the Wholesale Customer Sub-advisory Committee, Water Department staff has recommended Freese and Nichols, Inc., be selected to conduct the update of the Land Use Assumptions and Capital Improvements Plan for Water and Wastewater Impact Fee Update.

As part of the Water and Wastewater Impact Fee Update, Freese and Nichols, Inc. shall :

- Update the Wastewater Model, use the updated Water Model provided by the City and review current Land Use Assumptions, Capital Improvements Plan and Impact Fee Schedule and Ordinances. Additional reports to review include the Water and Wastewater Master Plan, Facilities Plan and Semi-Annual Impact Fee reports;
- Update Land Use Assumptions and Capital Improvements Plan for water and wastewater in accordance with Texas Local Government Code, Chapter 395;
- Participate with Staff in meetings and with the Water and Wastewater Capital Improvements Plan Citizen Advisory Committee, participate in meetings with the Water and Wastewater Wholesale Customer Committees and Sub-Committees, and participate in public hearings and City Council meetings concerning the impact fee studies; and Generate an updated report for the Land Use Assumptions, Capital Improvements Plan for water and wastewater and make recommendations on the City's Impact Fees.

MWBE OFFICE: Freese and Nichols, Inc., is in compliance with the City's BDE Ordinance by committing to 14 percent SBE participation on this project. The City's SBE goal on this project is 10 percent.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the current capital budget, as appropriated, of the Water Impact Fee Fund and the Sewer Impact Fee Fund. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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