





Lakewood Village Impact Fees Water and Wastewater September 29, 2017



Impact Fee Basics

- What Are They?
 - One-time fee assessed to recover infrastructure costs required to serve new development
 - Governed by Chapter 395 of the Texas LGC
- Why impact fees?
 - Provides an additional funding tool for infrastructure systems
 - Provides for the orderly growth of the community
 - Allows for a balanced funding combination that recognizes the benefits of growth



Impact Fee Basics



- What Costs Are Recoverable?
 - Construction, Planning, Surveying, Legal Services, and Engineering
 - Land Acquisition and Associated Costs
 - Capital Imp. Planning and/or Financial Consulting
 - Projected Interest and Finance Costs
 - Only Town Dollars

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Impact Fee Basics



- What Costs Are Non-Recoverable?
 - Capital Improvements NOT Identified in the CIP
 - Operations and Maintenance Costs
 - Improvements to Remedy Existing Deficiencies
 - Administrative and Operational Costs of the Town
 - Non-CIP Debt Service
 - Non-Town Dollars

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Impact Fee Components

- Service Areas
- Land Use Assumptions
- Capital Improvement Plans
- Service Units



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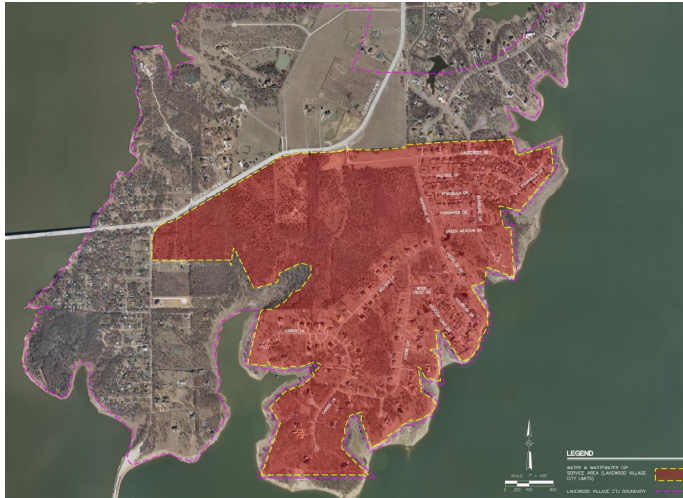
Impact Fee Components Service Areas

- Area to be served by Impact Fee CIP
- Water and Wastewater Service Areas are within the existing ETJ



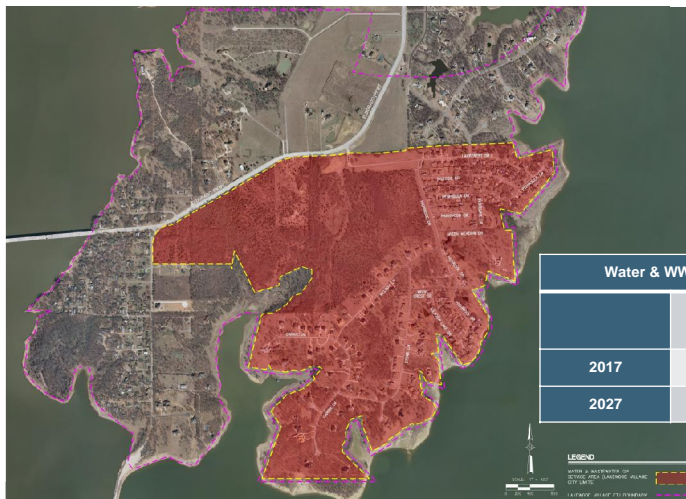
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Impact Fee Components Water & WW Service Area



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Impact Fee Components Land Use Assumptions



| Water & WW Land Use Assumptions | | |
|---------------------------------|------------------------|-------------------------|
| | Residential Population | Residential Connections |
| 2017 | 711 | 237 |
| 2027 | 1,101 | 385 |

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Impact Fee Components Water Impact Fee CIP



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Impact Fee Components Wastewater Impact Fee CIP



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Impact Fee Components
Water and Wastewater Impact Fee CIP



Water

- Max. Recoverable - \$995,135

Wastewater

- Max. Recoverable - \$412,625

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Impact Fee Components
Service Units



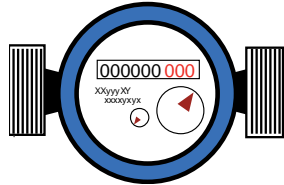
- Chapter 395 of the Local Government Code "service unit" definition
 - Standardized measure of consumption attributable to an individual unit of development
- Water and wastewater utilize standard water meter (5/8"x3/4")

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Impact Fee Components Service Units - Utilities



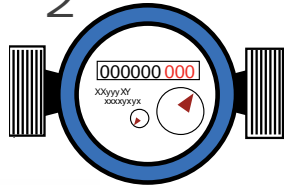
5/8" x 3/4"



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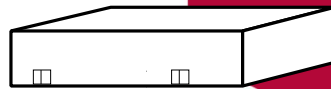


2"



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Shopping Center

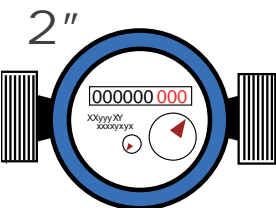


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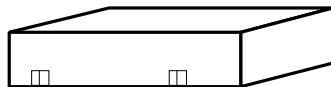
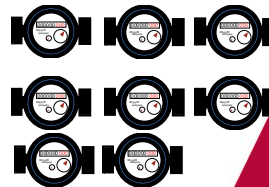
Impact Fee Components Service Units - Utilities



5/8" x 3/4"



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Impact Methodology



- How are Impact Fees Calculated?
 - Calculate Max Assessable Impact Fee

$$\text{Impact Fee Per Service Unit} = \frac{\text{Recoverable Cost of the CIP (\$)}}{\text{New Service Units}}$$

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2017 Study Results Water Impact Fee



| | |
|--|------------------|
| Recoverable Impact Fee CIP Costs | \$1,990,270 |
| 50% Reduction in Recoverable Costs | (\$995,135) |
| Maximum Recoverable Cost for Impact Fee | \$995,135 |

$$\text{Impact fee per service unit} = \frac{\text{10-year recoverable costs}}{\text{10-year additional service units}}$$

$$\text{Impact fee per service unit} = \frac{\$995,135}{148}$$

$$\text{Impact fee per service unit} = \$6,724$$

Therefore, the maximum assessable water impact fee for the Town per service unit is \$6,724.

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2017 Study Results Water Impact Fee



- 5/8"x3/4" Meter

| | |
|-------------------|---------|
| 2017 Maximum Rate | \$6,724 |
|-------------------|---------|

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2017 Study Results Wastewater Impact Fee



| | |
|--|-------------------|
| Recoverable Impact Fee CIP Costs | \$ 825,250 |
| 50 Percent Reduction | \$ (412,625) |
| Maximum Recoverable Cost for Impact Fee | \$ 412,625 |

Impact fee per service unit = $\frac{10\text{-year recoverable costs}}{10\text{-year additional service units}}$

Impact fee per service unit = $\frac{\$412,625}{148}$

Impact fee per service unit = \$2,788

Therefore, the maximum assessable impact fee per service unit is \$2,788.

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2017 Study Results Wastewater Impact Fee



- 5/8"x3/4" Meter

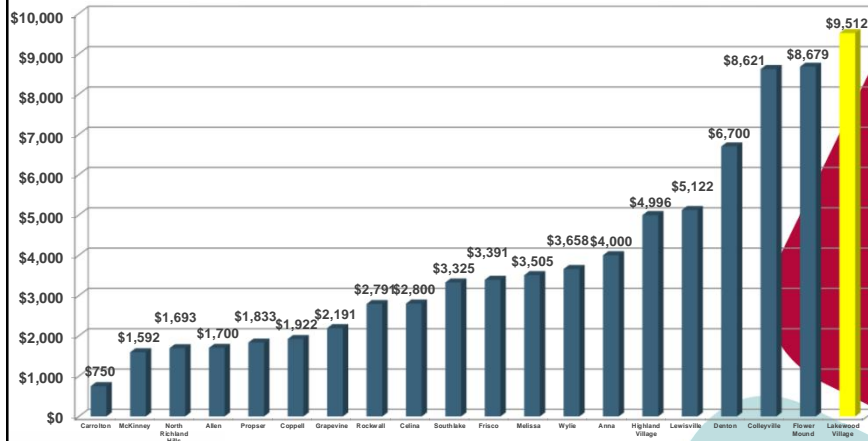
| | |
|-------------------|---------|
| 2017 Maximum Rate | \$2,788 |
|-------------------|---------|

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Comparisons

Water and Wastewater Impact Fee Comparisons: Single Family



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Next Steps



- Project Schedule

- ✓ Work Session with CIAC – LUA, CIP, & W/WW Impact Fee 9/29/17
- Publish Notice of Public Hearing – LUA, CIP, & W/WW Impact Fee 10/12/17
- Comments to Council from CIAC on LUA, CIP, & W/WW Impact Fee 11/13/17
- Council Public Hearing on LUA, CIP, & W/WW Impact Fee 12/14/17

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QUESTIONS?