

AGENDA
IMPACT FEE ADVISORY COMMITTEE MEETING
RONALD C. BOWMAN CITY COUNCIL CHAMBERS
447 North Main Street
Boerne, TX 78006
April 1, 2024 – 5:30 p.m.

1. CALL TO ORDER – 5:30 PM
2. [2024-132](#) Approve minutes of March 6, 2023.
 Attachments: [UnofficialMeetingMinutes6-Mar-2023](#)
3. [2024-134](#) Receive a presentation on the status of the impact fees.
 Attachments: [IFAC April 2024](#)
4. ADJOURNMENT

Michael Mann
Administrative Officer

CERTIFICATION

I hereby certify that the above notice of meeting was posted by 5 p.m. on the 28th
day of March, 2024.

Andrea Snouffer
Recording Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS

City Hall is wheelchair accessible. Access to the building and special parking is
available at the front entrance of the building. Requests for special services must be
received forty-eight (48) hours prior to the meeting time by calling Andrea Snouffer
at 830-248-1538.

Pursuant to section 30.07 Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly.

Pursuant to section 30.06 penal code (trespass by license holder with a concealed handgun), a person licensed under subchapter h, chapter 411, government code (handgun licensing law), may not enter this property with a concealed handgun.

MINUTES
IMPACT FEE ADVISORY COMMITTEE MEETING
RONALD C. BOWMAN CITY COUNCIL CHAMBERS
447 North Main Street
Boerne, TX 78006
March 6, 2023 – 5:00 p.m.

Members Present: Tim Bannwolf - Chairman, Patrick Cohoon - Vice Chairman, Bob Cates, Lucas Hiler, Bill Bird, Susan Friar, Terry Lemoine, & Ross Partlow.

Staff Present: Michael Mann, Andrea Snouffer, & Mike Raute.

1. CALL TO ORDER – 5:00 PM

Meeting was called to order at 5:04 p.m.

2. Approve minutes of February 6, 2023.

Vice Chairman Cohoon motioned to approve the minutes.
Commissioner Hiler seconded this motion. All were in favor to approve the minutes.

3. Review the Land Use Assumptions, Capital Improvements Plan, and Impact Fees presented in a report by HDR Engineering, Inc. and make a recommendation to City Council regarding the update of Land Use Assumptions, Capital Improvements Plan, and Impact Fees.

Mike Mann, Utilities Director, explained the Planning & Zoning Commission is acting as the Impact Advisory Committee. And because we serve utilities in the ETJ, the law requires we have a member from the ETJ and we have Ross Partlow here as the ETJ representative.

Mike started by providing some background information. He said the law used to allow us to collect half of the impact fees from the

developer and half the fees from the service applicant. We did this for decades and then the law changed. We were no longer allowed to collect from the developer, just the service applicant. Later on, another change came about and that was the creation of the rate credits portion of the law. We calculate a maximum fee by taking the total of capital improvements and dividing by the number of new services and then reducing this fee by a certain amount. Option A, it can be cut in half, or option B, a complex calculation performed by our consultants. We typically collect the maximum so the costs the utility has to spend in advance to allow for new development does not go on the existing rate payers, it goes on the new development. The applicants that apply for new services and pay impact fees become rate payers that are paying part of the debt service. We take out a loan and pay debt service for twenty or thirty years and make loan payments and the rate payers reimburse us. The Utility doesn't make any money, the question is, who pays fees and what do we spend our collections on. We spend everything we make and we try not to have too much debt by imposing impact fees on new development. Our recommendation is to collect the maximum that can be collected. Grady Reed did a great job of presenting this at our last meeting, but there has been a change. This change is due to recent development agreement with the Lookout Group, for more services, for the Dunnenberg tract. In this agreement, Dunnenberg agreed to pay a significant portion of some of our future Capital improvement cost. So, we had to take that cost out of our calculation because the law requires that if the developer contributes to projects in the CIP, then the developer can ask for the services in that development for a reimbursement of that portion of their fees. This becomes complicated. So, instead, we reduced the Capital Improvements Plan by an appropriate amount and calculated new fees. The new maximum fee is \$7,629.00. Chairman Bannwolf asked Ross Partlow if he feels it's reasonable. Ross said on the development side, it is nice to see it go down. But, having part of that responsibility on the developer as opposed to current rate payers picking up the costs, is reasonable. Chairman Bannwolf asked Mike if this puts us in the middle in terms of fees in Central Texas area. Mike said we are not

on the high end anymore and we are inching down to average. Commissioner Bird asked about being low on water side and higher on the wastewater side of the fees. Mike said it is the plant expansion that we have to do. It's an 11 million dollar plant expansion and the developer is paying for half of that and we are transferring flow from one plant to another and that's another 10 million dollar expense. It's not about just water going down, but it's that they're both going down, but sewer isn't going down as much because of its expense. Commissioner Cates said the price of everything is increasing so rapidly and it seems like a significant reduction in fees. He asked if we can revisit these fees sooner than the 5 year update requirement. Mike said, yes, and this is why we visit semi-annually. We can keep track of projects in the plan and what they are estimated to cost versus what the actual cost was. Most of what is in the CIP is to serve development that is already on the books. Commissioner Cohoon recommended to approve the revised impact fee amount of \$7,629.00 including the land use assumptions and population projections. Commissioner Bird seconded this motion. Motion carried unanimously.

4. ADJOURNMENT

Meeting was adjourned at 5:17 p.m.

Chair

Secretary

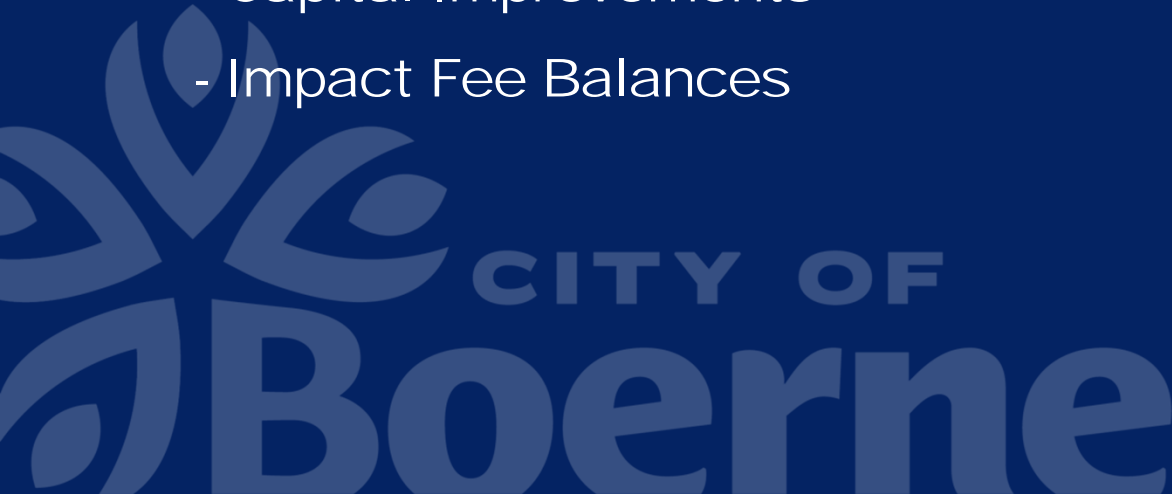


April 1, 2024, STATUS REPORT

IMPACT FEE ADVISORY COMMITTEE

Status Report

- What are Impact Fees?
- Assessments and Collections
- Role of the Advisory Committee
- 2023 Impact Fee Update
- Capital Improvements
- Impact Fee Balances



What Are Impact Fees?

- Impact Fees are charged to recover investment in infrastructure with capacity to serve new development
- State Law provides framework in Chapter 395 of the Local Government Code
- Fees are charged to new developments only.
- Monies can only be spent on projects included in the Capital Improvements plan.



Assessments and Collections

- Fees are assessed at time of platting.
- Note on plat indicates fee assessed to lots.
- Fees are paid at time of Building Permit Issuance and/or Utility Application.
- Monies are tracked as separate accounts with interest earned adding to account balance.



Role of Advisory Committee

- Provide input to staff and engineers during Impact Fee development process.
- Review Land Use Assumptions, Capital Improvements Plan, and Impact Fee Calculations.
- Review status of impact fees and determine when updates are warranted. (5-year max).k in Chapter 395 of the Local Government Code
- Advise City Council based on reviews.

2023 Impact Fee Update

- City contracted with HDR Engineering, Inc. to update the Land Use Assumptions, Capital Improvements Plan and to calculate updated maximum impact fees based upon the new Capital Improvements Plan.
- HDR Engineering, Inc. provided a draft report on February 6, 2023 , presenting a maximum impact fee determination for consideration by the City's Impact Fee Advisory Committee and the Boerne City Council.
- The Advisory Committee made a recommendation to City Council on March 6, 2023 , to approve the Land Use Assumptions, Capital Improvements Plan and maximum fee of \$7,629 to be set as the new impact fee.
- In a public hearing on May 9, 2023, City Council approved the new maximum fee.
- The new impact fee is a decrease of \$1,928 from the previous impact fee of \$9,557.
- Ordinance 2023-18 is the current Impact Fee Ordinance.

Current Impact Fees

Assessed Beginning May 23, 2023

LUE's	Meter Size	Water Fee	Wastewater Fee	Combined Fee
1	5/8"	\$2,509.00	\$5,120.00	\$7,629.00
1.5	3/4"	\$3,763.50	\$7,680.00	\$11,443.50
2.5	1"	\$6,272.50	\$12,800.00	\$19,072.50
5.0	1-1/2"	\$12,545.00	\$25,600.00	\$38,145.00
8.0	2"	\$20,072.00	\$40,960.00	\$61,032.00
16	3"	\$40,144.00	\$81,920.00	\$122,064.00
25	4"	\$62,725.00	\$128,000.00	\$190,725.00
50	6"	\$125,450.00	\$256,000.00	\$381,450.00



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Impact Fee Comparison

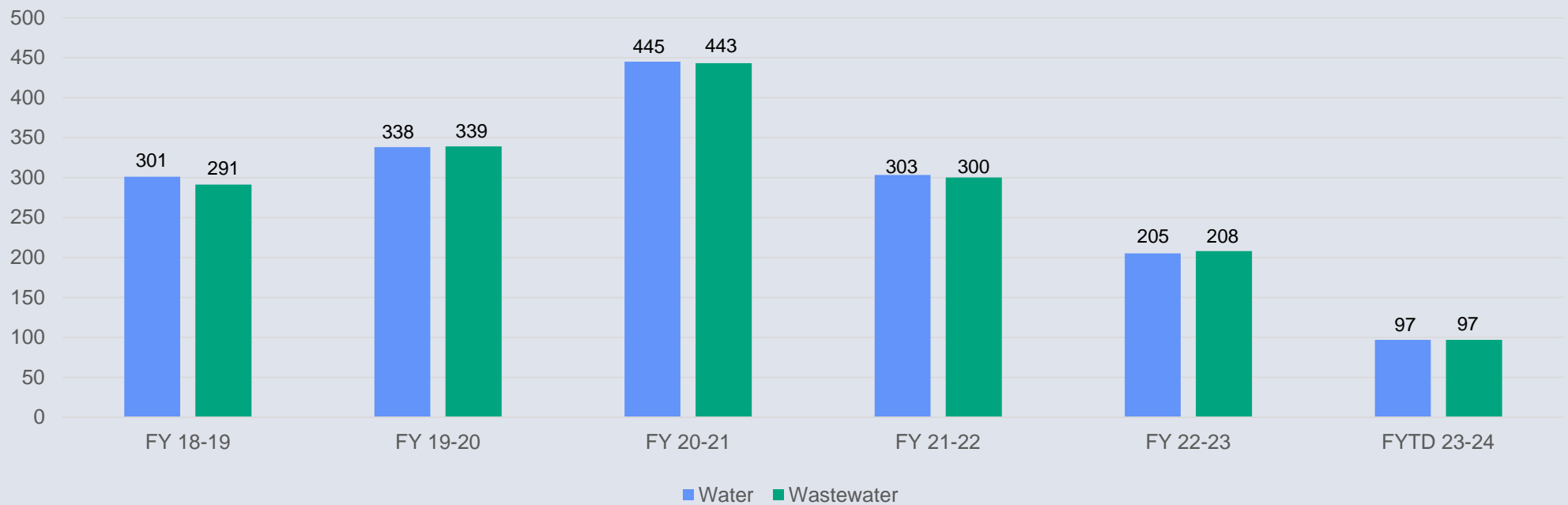
City Utility	Water	Wastewater	Total
Universal City	\$3,881	\$655	\$4,537
Round Rock	\$4,234	\$1,799	\$6,033
San Antonio Water System*	\$4,918	\$2,166	\$7,084
Buda	\$3,595	\$3,515	\$7,110
Fredericksburg	\$3,707	\$3,480	\$7,187
Boerne	\$2,509	\$5,120	\$7,629
Austin	\$4,800	\$2,900	\$7,700
Georgetown	\$6,921	\$3,115	\$10,036
Leander	\$8,762	\$2,301	\$11,063
Kyle	\$6,169	\$6,345	\$12,514
Fair Oaks Ranch	\$8,670	\$6,069	\$14,739
New Braunfels	\$17,512	\$5,712	\$23,224



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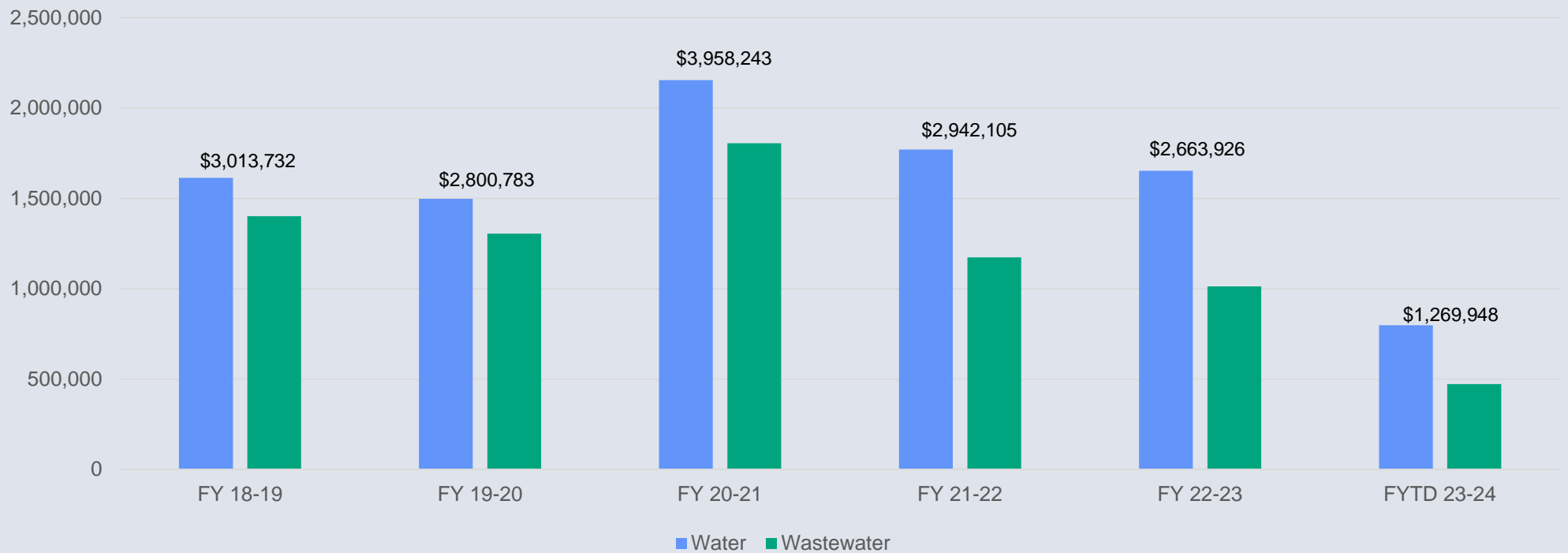
**The San Antonio Water System (SAWS) has multiple impact fees depending on service area. The impact fees shown here are an average of all fees. The base water impact fees range from \$4,749 to \$5,097 and the base wastewater impact fees range from \$1,171 to \$3,451.*

New Impact Fee Payments



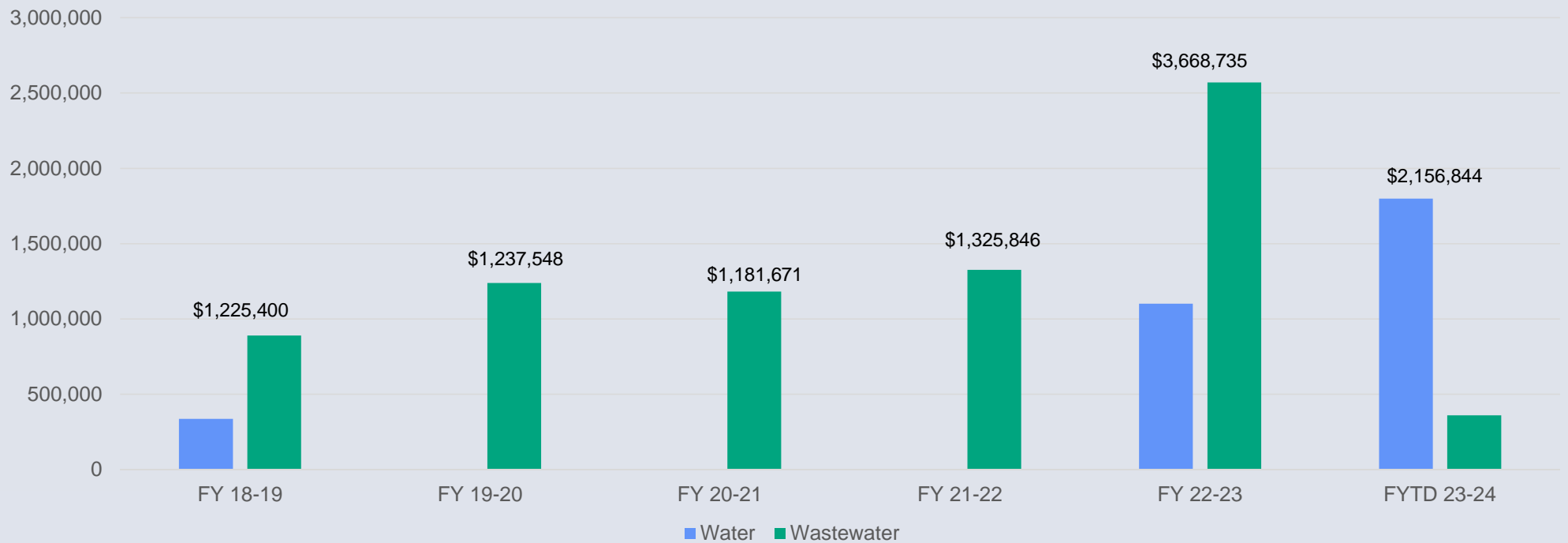
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Impact Fee Collections



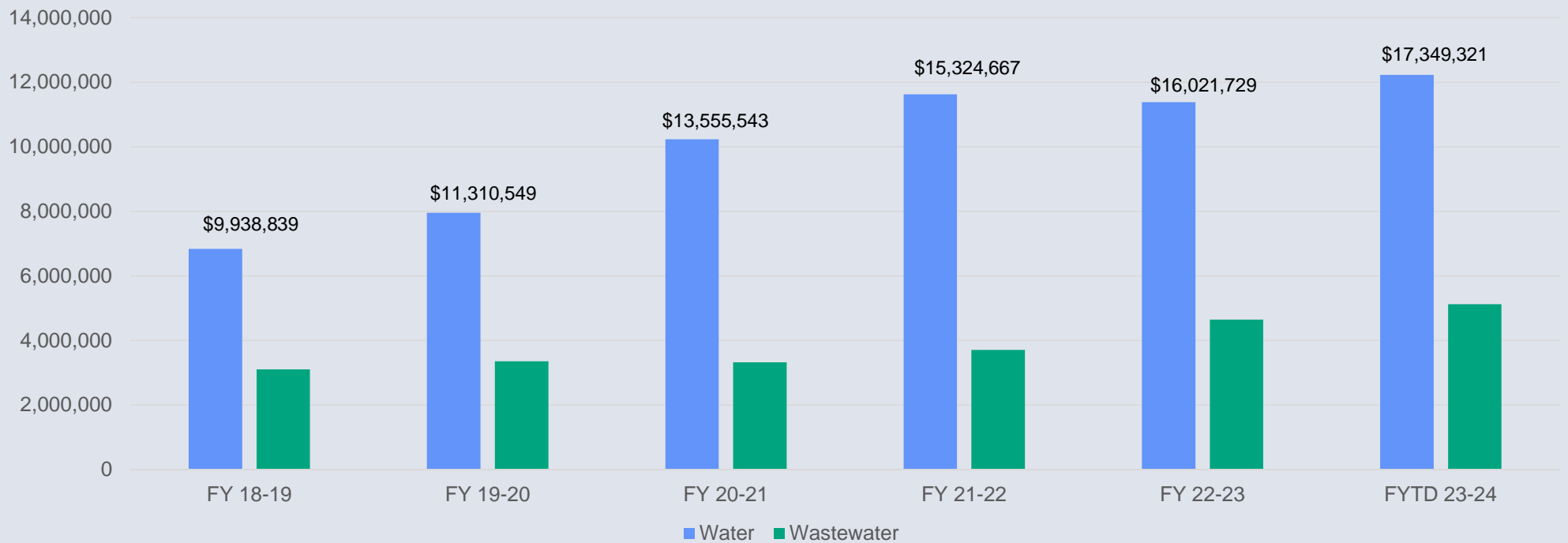
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Impact Fee Expenditures



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Impact Fee Fund Balances



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Water CIP

Water Capital Projects	Cost
Water Treatment	
WTP Expansion	\$20,000,000
Water Pumping	
Ammann Road Water Tank & Pump Station	\$2,240,000
Water Supply	
GBRA Ammann Road Main	\$2,570,000
Reclaimed Water	
WCID #4 Supply Main (Ammann Rd.)	\$2,000,000
WCID #4 Supply Main (SH-46) – Oversizing	\$175,000
Reclaimed Water	
Reclaimed Main Transmission Upgrade	\$1,050,000
Trails of Herff Ranch Reclaimed Main	\$1,100,000
Reclaimed Water Elevated Storage	\$1,800,000
SH-46 Main Bore	\$200,000
WWTRC Storage Tank and Pumps	\$1,660,000
Total 10-Year Projects	\$32,795,000



Wastewater CIP

Wastewater Capital Projects	Cost
Wastewater Treatment	
1 st WWTRC Expansion	\$8,805,000
2nd WWTRC Expansion	14,000,000
Pumping (Lift Stations)	
School Lift Station 3 rd Wet Well Addition	\$1,200,000
Interceptors	
South Cibolo Collector	\$7,000,000
Suggs Creek Sewer Main	\$2,250,000
Trails of Herff Ranch Main	\$2,090,000
Total 10-Year Projects for Growth	\$35,345,000



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Summary

- Capital Improvements under construction.
- Impact fee collections are outpacing expenditures.
- Impact fee fund is growing.
- Need to update Land Use Assumptions and Population Projections in 2028.
- Proposed 2024 Advisory Committee Meeting.
 - October 7, 2024



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