

PUBLIC NOTICE

**City of Lockhart
Impact Fee Advisory Committee
5:30 PM, Wednesday, December 14, 2022
Municipal Building — Glosserman Room
308 W. San Antonio St.**

AGENDA

1. Call meeting to order.
2. Consider the Minutes of the September 14, 2022, meeting.
3. Consider semi-annual report to City Council concerning the status of implementation of Chapter 31 "Impact Fees" of the Code of Ordinances, and advise of the need to update the ordinance, land use assumptions, capital improvements plans, or impact fees.
4. Presentation by Freese and Nichols on Impact Fee Land Use Assumptions and Road Capital Improvement Plan.
5. Consider approval of draft Land Use Assumptions.
6. Consider approval of draft Road Capital Improvement Plan.
7. Adjourn.

Posted on the bulletin board in the Municipal Building, 308 W. San Antonio St., Lockhart, Texas, at 3:00 PM on the 6th day of December, 2022.

**City of Lockhart
Impact Fee Advisory Committee
Wednesday, September 14, 2022**

MINUTES

COMMITTEE MEMBERS PRESENT: Philip Ruiz, Phil McBride, Brad Lingvai, Rick Arnic, Ron Peterson, Chris St. Leger Manual Oliva,

COMMITTEE MEMBERS ABSENT: Larry Metzler

STAFF PRESENT: Dan Gibson, David Fowler, Christine Banda

VISITORS/CITIZENS ADDRESSING THE COMMITTEE: None

1. Call meeting to order. Chair Ruiz called the committee to order at 8:31 p.m.
2. Consider the Minutes of the May 11, 2022, meeting.

Member Oliva moved to approve the minutes as submitted, and Member McBride seconded. The motion passed by a vote of 7-0.

3. Presentation and discussion regarding the impact fee update project, including an overview of impact fees, and growth rates for land use assumptions.

Mr. Gibson introduced Eddie Hass, of Freeze and Nichols, who gave a presentation covering the impact fee update requirements and process. His company was hired to prepare the Land Use Assumptions and the Road Capital Improvement Plan. Other elements of the update include the Water and Wastewater Capital Improvement Plans, and adoption of new road, water, and wastewater impact fees.

The proposed 4.25 percent annual growth rate for the ten-year timeframe of the capital improvement plans was questioned by Chair Ruiz. He believed that the growth rate the consultant came up with was too low, and he requested that it be looked at again before proceeding with any approval of the impact fee study.

During the ensuing discussion, members Lingvai and St. Ledger left the meeting.

Mr. Haas said that they would do some more research to see if the results would support an increase in the annual growth rate.


4. Adjourn.

Member McBride moved to adjourn, and Member Arnic seconded. The motion passed by a vote of 5-0, and the meeting adjourned at 9:32 p.m.

Approved: _____
Philip Ruiz, Chair

Date

MEMORANDUM

TO: Planning and Zoning Commission
FROM: Dan Gibson, City Planner 
DATE: December 1, 2022

PURPOSE

State law requires a continuing semi-annual role for the Impact Fee Advisory Committee in monitoring the progress of implementation of the impact fee ordinance, and in advising the City Council on needed revisions. More specifically, State law provides that the Committee:

- 1) Monitor and evaluate implementation of the capital improvements plans;
- 2) File semi-annual reports with respect to the progress of the capital improvements plans and report to City Council any perceived inequities in implementing the plans or imposing the impact fees; and,
- 3) Advise the City Council of the need to update or revise the land use assumptions, capital improvements plans (CIP's), and impact fees.

The Committee's last meeting was May 11, 2022. This is the 41st status report since the impact fee ordinance was originally adopted on January 15, 2002, and is for the period from April 1, 2022, to October 1, 2022. It is the eleventh report since the update adopted on April 4, 2017, and is based on the current capital improvement plans and impact fees. The six-month reporting dates align with the fiscal year quarters.

STATUS OF ACCOUNTS

Exhibit A shows revenue totaling \$529,285 during the period covered by this report. Fees collected during the six-month period was for 83 new houses, one manufactured home, one commercial addition, one new retail building, and one new medical building. The only expenditures were periodic payments of invoices to the impact fee update consultants. The water, wastewater, and road impact fee account balances for the previous semi-annual report, as well as the current balances as of October 1, 2022, including accrued interest, are shown in the table.

The total estimated cost of all of the projects in the capital improvement plans in effect during the six-month reporting period was \$58,311,537. However, the City Council adopted one-half that amount as the maximum to be collected by April 1, 2027, which is the end of the ten-year CIP period, so the maximum fees are based on an estimated cost of all three CIP's being \$29,155,769. The total of all impact fees spent on CIP projects so far since the April 4, 2017 update is \$673,073, which does not include payments to the impact fee update consultants. The total amount still to be spent is \$28,482,696. The total balance available remaining collectively in the four impact fee accounts that can be used toward meeting that goal, is currently \$4,138,797.

TRENDS

The bar graph in **Exhibit B** illustrates the impact fee collection trends beginning with the first semi-annual report in July 2003. The trends generally reflect the state of the economy, as well as the availability of lots for residential development. Housing production and platting of new subdivisions have remained steady, with the total impact fee revenue in this six-month reporting period being less than the previous reporting period, which was an all-time high. This one is still the second highest since the City began the semi-annual reports in 2003. It is important to build a healthy balance in all of the accounts because there is interest in development where the City does not currently have adequate infrastructure, but where many of the needed projects are already listed in the impact fee CIP's.

UPDATE

The most recent impact fee update was completed and adopted in 2017, so the statutory five year up-date was begun this year and is currently in process. The Impact Fee Advisory Committee will have several opportunities to provide feedback to the consultants on the impact fee update project. The five-year update is needed primarily due to increases in the cost of construction. The impact fees are based on the estimated cost of the projects in each CIP, and those costs are now out-of-date. In addition, the CIP's are intended to reflect the anticipated growth of the city, and the rapid population growth we are experiencing may require changes in the location and size of projects that are in the current CIP's, and/or may support adding new projects.

RECOMMENDATION

Considering that the five-year impact fee update project is underway, but not completed, there is nothing new to report at this time in terms of a recommendation to the City Council. Typically, the Impact Fee Advisory Committee's action is to direct the Chair to submit the required written report to the City Council. The Council will receive your report at their December 20th meeting.

EXHIBIT A

FALL 2022 IMPACT FEE ACCOUNT BALANCES¹

	<u>April 1, 2021</u>	+	Revenue ²	-	Expense ³	=	<u>OCTOBER 1, 2022</u>
Water	1,151,102		166,589		1,649		1,316,042
Wastewater	1,014,365		130,025		1,648		1,142,742
Roads (Service Area 1)	963,190		50,523		116,730		896,983
Roads (Service Area 2)	600,882		182,148		0		783,030
TOTAL	\$3,729,539		\$529,285		\$120,027		\$4,138,797

1. All amounts have been rounded to the nearest dollar.

2. Revenue amounts include accrued interest.

3. Expenses were due to invoices from impact fee update consultants, and a refund of water impact fees paid for homes in Vintage Springs subdivision where water impact fees were to be waived in lieu of the City contributing cash for the portion of the Maple Street construction that was the City's responsibility.

One-half total CIP estimated cost (estimated 100% cost of all projects is \$58,311,537):	\$29,155,769
Total spent on projects since adoption of Ordinance 2017-08 on April 4, 2017:	\$673,073
Remaining amount of 1/2 estimated cost not yet spent:	\$28,482,696
Current balance on October 1, 2022:	\$4,138,797

NOTE: The CIP cost information is the total for the capital improvements plans adopted by Ordinance 2017-08 on April 4, 2017, with all amounts rounded to the nearest dollar.

EXHIBIT B
IMPACT FEE SEMI-ANNUAL REVENUE

July 2003 - October 2022

