

ORDINANCE NO. 2022-03

AN ORDINANCE OF THE CITY OF IOWA COLONY, TEXAS, ESTABLISHING AND REGULATING **IMPACT FEES** IN THE CITY LIMITS AND EXTRATERRITORIAL JURISDICTION; AND CONTAINING RELATED PROVISIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF IOWA COLONY, TEXAS:

ARTICLE 1. GENERAL

Sec. 1.1. Findings of Fact

(a) The City Council of the City of Iowa Colony, Texas ("the City") finds that all statements of fact in any part of this ordinance are true.

(b) The City of Iowa Colony has complied with all procedures and other requirements of Chapter 395 of the Texas Local Government Code and all applicable law in the enactment of this ordinance.

Sec. 1.2. Authority for Ordinance

This ordinance is authorized by Chapter 395 of the Texas Local Government Code, the Home Rule Charter of the City, and all other applicable law.

Sec. 1.3. Scope of Ordinance

This ordinance applies throughout the city limits and extraterritorial jurisdiction of the City.

Sec. 1.4. Purpose

This ordinance is intended to ensure the provision of adequate water and wastewater facilities to serve new development in the City by requiring each development to pay its share of the costs of those improvements necessitated by and attributable to that new development.

Sec. 1.5. Definitions

Assessment means the determination of the amount of the maximum impact fee per service unit which can be imposed on new development pursuant to this ordinance.

Capital improvement means either a water facility or a wastewater facility with a life expectancy of three (3) or more years, to be owned and operated by or on behalf of the City. Capital improvement applies to a newly constructed water or wastewater facility or to the expansion of

Capital Improvements Advisory Committee means a committee appointed by the City Council to oversee the adoption and implementation of impact fees.

Capital recovery fee means impact fee.

City means the City of Iowa Colony, Texas.

Credit means:

(1) When used in the context of determining the maximum assessable impact fee per service unit, an amount equal to: fifty (50) percent of the total projected cost of implementing the capital improvements plan. (2) When used in the context of determining the offset for system facilities, the amount of the reduction of an impact fee designed to fairly reflect the value of any construction of, contributions to, or dedications of a system facility agreed to or required by the City as a condition of development approval, pursuant to rules herein established or pursuant to City Council-approved administrative guidelines which value shall be credited against water and wastewater facilities impact fees otherwise due from the development and which credits are hereinafter referred to as an "offset" or "offsets" to avoid confusion.

Facilities expansion means either a water facility expansion or a wastewater facility expansion.

Final plat approval or approval of a final plat means the point at which the applicant has complied with all conditions of approval and the plat (minor plat or record plat) has been released for filing with the county.

Final plat recordation or recordation of a final plat means the point at which the applicant has complied with all conditions precedent to recording an approved final plat (minor plat or record plat) in the county, including the final completion of and acceptance by the City of any infrastructure or other improvements required by the subdivision ordinance or any other ordinance and the plat is filed for record with the county clerk's office.

Impact fee, water impact fee, wastewater impact fee, or utility impact fee means a charge or assessment imposed by the City pursuant to this ordinance upon new development, in order to generate revenue for funding or recouping the costs of capital improvements or facilities expansions necessitated by and attributable to such new development. The term does not include dedication of land for public parks or payment in lieu of the dedication to serve park needs, dedication of rights-of-way or easements or construction or dedication of water distribution, wastewater collection or drainage facilities, streets, sidewalks, or curbs if the dedication or construction is required by ordinance and is necessitated by and attributable to the new development, lot or acreage fees to be placed in trust funds for the purpose of reimbursing developers for oversizing or constructing water or sewer mains or lines, or other pro rata fees for reimbursement of water or sewer mains or lines extended by the City.

Impact fee capital improvements plan or capital improvements plan means the adopted capital improvements plan, as it may be amended from time to time, which identifies the capital

improvements or facility expansions and associated costs for each service area that are necessitated by and which are attributable to new development within the service area, for a period not to exceed ten (10) years, which capital improvements are to be financed in whole or in part through the imposition of utility impact fees pursuant to this ordinance. "Impact fee capital improvements plan" may refer either to the plan for a particular service area or to the aggregation of capital improvements or facilities expansions and the associated costs programmed for all service areas for a particular category of capital improvements or facilities expansions.

Impact Fee Study or simply *Study* means the Water and Wastewater Impact Fee Study that is attached hereto and incorporated herein in full.

Land use assumptions means and includes a description of the service areas and the projections of population and employment growth and associated changes in land uses, densities and intensities adopted by the City, as may be amended from time to time, in the service area over a ten-year period upon which the impact fee capital improvements plans are based. The land use assumptions are set out in the most recently updated land use assumptions for utility impact fees adopted by resolution of the City Council.

New development means a project involving the subdivision of land and/or the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure, or any use or extension of the use of land, which has the effect of increasing the requirements for capital improvements or facility expansions, measured by an increase in the number of service units to be generated by that activity, and which requires either the approval and filing with the county of a plat pursuant to the City's subdivision ordinance, the issuance of a building permit, or connection to the City's water or wastewater system.

Offset or *offsets* means the amount of the reduction of an impact fee designed to fairly reflect the value of any construction of, contributions to, or dedications of a system facility agreed to or required by the City as a condition of development approval, pursuant to rules herein established or pursuant to Council-approved administrative guidelines, which value shall be credited against utility impact fees otherwise due from the development.

Recoup means to reimburse the City for capital improvements which the City has previously installed or caused to be installed.

Service area means either a water benefit area or wastewater benefit area within the City's corporate boundaries and/or its extraterritorial jurisdiction in which impact fees for capital improvements or facilities expansions will be collected for new development occurring within that area and within which the fees so collected will be expended for the types of improvements or expansions identified in the impact fee capital improvements plan.

Service unit means the applicable standard unit of measure that serves as the standardized measure of consumption, use or generation attributable to the new unit of development. The service unit for water and wastewater is a three-fourths-inch water meter which is the typical water meter used for a single-family detached living unit and is commonly referred to as the single family living unit equivalent (SFLUE). The number of service units used for water and wastewater by a

particular land use is determined by the water meter size employed by that land use and other multiplying factors as provided by the Impact Fee Study, including but not limited to Sections 5.2, Table 7, Section 5.4, and Table 8 of the Study.

Service unit equivalent is a multiplier based on the capacity of a development in comparison to the capacity of a five-eighths inch or three-fourths-inch water meter.

Single family residential lot means a lot platted to accommodate a single family or a duplex dwelling unit, as authorized under the City's zoning regulations.

Site-related facility means an improvement or facility which is constructed for the primary use or benefit of a new development and/or which is for the primary purpose of safe and adequate provision of water or wastewater facilities to serve the new development, and which is not included in the impact fees capital improvements plan and for which the developer or property owner is solely responsible under the subdivision, and other applicable, regulations.

System facility means a capital improvement or facility expansion which is designated in the impact fee capital improvements plan and which is not a site-related facility. System facility may include a capital improvement which is located off-site, within, or on and along the perimeter of the new development site. For water and wastewater facilities, a system facility shall include the oversized portion of those lines which are greater than twelve (12) inches in diameter and which serve solely new development and which are on the impact fee capital improvements plan or the comprehensive water or wastewater improvements plan.

Wastewater facility means an asset or improvement for providing wastewater service, including, but not limited to, land, easements, treatment facilities, lift stations, and collector lines other than individual service lines. *Wastewater facility* excludes wastewater facilities, lines, or mains which are constructed by developers, the costs of which are reimbursed through pro rata or other development-related agreements paid by subsequent users of the facilities. Wastewater facilities exclude site-related facilities.

Wastewater facility expansion means the expansion of the capacity of any existing wastewater improvement for the purpose of serving new development, but does not include the repair, maintenance, modernization, or expansion of an existing wastewater facility to serve existing development.

Wastewater improvements plan identifies the wastewater facilities or wastewater expansion and their associated costs that are necessitated by and which are attributable to new development, for a period not to exceed ten (10) years, which capital improvements are to be financed in whole or in part through the imposition of wastewater impact fees pursuant to this ordinance. The wastewater improvements plan is a part or component of the "Water and Wastewater Impact Fee Study" adopted by the City Council, as amended from time to time.

Water facility means an asset or improvement for providing water service, including, but not limited to, land, easements, water treatment facilities, water supply facilities, and water distribution facilities. "Water facility" excludes site-related water facilities, lines, or mains which are

constructed by developers, the costs of which are reimbursed through pro-rata or other development related agreements paid by subsequent users of the facilities. "Water facility" excludes site-related facilities.

Water facility expansion means the expansion of the capacity of any existing water facility for the purpose of serving new development, but does not include the repair, maintenance, modernization, or expansion of an existing water facility to serve existing development.

Water improvements plan identifies the water facilities or water expansions and their associated costs that are necessitated by and which are attributable to new development, for a period not to exceed ten (10) years, which capital improvements are to be financed in whole or in part through the imposition of water impact fees pursuant to this ordinance. The water improvements plan is a part or component of the "Water and Wastewater Impact Fee Study" adopted by the City Council, as amended from time to time.

Water meter or *meter* means a device for measuring the flow of water to a development, whether for domestic or for irrigation purposes, unless a different type of meter is specified.

ARTICLE II. WATER AND WASTEWATER IMPACT FEES. IMPOSITION

Sec. 2.1. Applicability

This ordinance applies to all new development within the corporate boundaries of the City and within its extraterritorial jurisdiction. The provisions of this ordinance apply uniformly within the applicable service area.

Sec. 2.2. Adoption of Study and Impact Fees

The City hereby adopts the attached Water and Wastewater Impact Fee Study (the "Study" or "Impact Fee Study") and incorporates that Study into this ordinance in full. Without limiting the generality of the foregoing, the City hereby adopts the land use assumptions, capital improvement plan, and impact fees in the Study.

Sec. 2.3. Impact Fees Per Service Unit

(a) The maximum assessable impact fees stated herein shall be assessed and collected, except as otherwise specified by this ordinance. The maximum assessable impact fee per service unit for water and wastewater facilities shall be the following, which include the capital recovery fees and finance fees in the Impact Fee Study and have already been reduced by 50% as required by Texas Local Government Code section 395.014:

**Water: Two Thousand Three Hundred Fifty and No/100 Dollars (\$2,350.00); and
Waste water: Three Thousand Nine Hundred Fifty and No/100 Dollars (\$3,950.00).**

(b) The impact fee service area for water and wastewater facilities is a single service area as provided by the Impact Fee Study, as it may be updated from time to time.

(c) The maximum assessable impact fee per service unit, as amended from time to time, that is assessed to new development is declared to be the roughly proportionate measure of the impact(s) generated by a new unit of development on the City's utility system. The maximum assessable impact fee per service unit may be used in evaluating any claim by an applicant, developer, or property owner that the dedication, construction, or contribution of a capital improvement imposed as a condition of development approval pursuant to the City's regulations is not roughly proportionate to the impact(s) of the new development on the City's utility system.

(d) The service unit equivalents to a five-eighths or three-fourths-inch meter and other multiplying factors shall be as stated in the Impact Fee Study, including but not limited to Section 5.2, Table 7, Section 5.4, and Table 8 of the Study.

Sec. 2.4. Assessment of Impact Fees

(a) This section addresses the time and manner of assessment of impact fees and the amount of the assessment per service unit, among other things. **Section 2.5** addresses the time of payment and collection, the number of service unit equivalents for the proposed new development, and the actual amount of the impact fees for that new development, among other things.

(b) The impact fee per service unit for any new development shall be assessed as stated in this subsection.

- (1) For a new development for which recordation of the final plat occurred on or before **January 11, 2022**, and:
 - (i) for which a building permit is issued on or before **January 11, 2023**, no impact fees shall be collected; or
 - (ii) for which no building permit is issued on or before **January 11, 2023**, impact fees shall be assessed at the time of application for a building permit.
- (2) For a new development for which recordation of the final plat occurs after **January 11, 2022**, impact fees shall be assessed at the time of final plat recordation.
- (3) For land on which new development occurs or is proposed to occur without platting, impact fees shall be assessed at the time application is made for the building permit.

(c) The assessment of water impact fees and wastewater impact fees is calculated by multiplying the amount of the maximum assessable water and wastewater impact fee per service unit by the service unit equivalent and other multiplying factors for that new development, as provided in the Impact Fee Study, including but not limited to Section 5.2, Table 7, Section 5.4, and Table 8 of the Study.

(d) This subsection applies only to the calculation of the impact fee per service unit, not to the calculation of the number of service unit equivalents of a particular new development. Only

to the extent required by Texas Local Government Code section 395.017, after assessment of an impact fee pursuant to this ordinance or the execution of an agreement for payment of impact fees, additional impact fees or increases in fees may not be assessed against the tract for any reason, unless the number of service units to be developed on the tract increases. In the event of the increase in the number of service units, the impact fees to be imposed are limited to the amount attributable to the additional service units.

Sec. 2.5. Payment and Collection of Impact Fees

(a) Time of Payment

(1) For all new developments, impact fees shall be collected after the building permit therefor is approved, but before the issuance of the building permit, and any approval of a building permit shall be deemed to be subject to the payment of any applicable impact fee.

(2) If for any reason a building permit is not required for the new development, then the impact fees shall be collected before the beginning of construction.

(3) The City reserves the right to enter into an agreement with a developer for a different time and manner of payment of impact fees, in which case the agreement shall determine the time and manner of payment.

(b) The amount of the impact fee for a new development shall be calculated as follows:

(1) For each meter or connection, the maximum assessable impact fee per service unit shall be multiplied by the multiplying factors applicable to that new development, as provided in the Impact Fee Study, including but not limited to Section 5.2, Table 7, Section 5.4, and Table 8 of the Study.

(2) The amount of each impact fee shall be reduced by any allowable offsets for that category of capital improvement.

(3) The total amount of the impact fees for the new development shall be calculated and attached to the development application or request for connection as a condition of approval.

(c) Whenever the property owner, developer, or builder proposes a change that increases the number of service unit equivalents for a new development, that person must file with the City a new calculation of the service equivalents and impact fees. The additional impact fees collected for those new service unit equivalents shall be determined by using the formula above. Those additional fees shall be collected at the times prescribed by this ordinance, except as provided by **Subsection 2.4(d)**.

(d) No application for new development shall be approved within the City without assessment of impact fees pursuant to this ordinance, and no building permit shall be issued unless the applicant has paid the impact fees required by this ordinance.

(e) Impact fees shall not be collected from the City for property owned by the City.

(f) The property owner and the applicant for a building permit or plat approval at the time the impact fee hereunder is due shall be jointly and severally liable to the City for that impact fee.

ARTICLE III. IMPACT FEES. GENERAL

DIVISION 3.1. ADMINISTRATION

Sec. 3.1.1. Establishment of Accounts

(a) The City's finance department shall establish an account to which interest is allocated for each category of capital facility in each service area for which an impact fee is imposed pursuant to this ordinance and each of those accounts shall clearly identify the categories of accounts it holds. Each impact fee collected within the service area shall be deposited in that account.

(b) Interest earned on the account into which the impact fees are deposited shall be held in the account and shall be subject to the same restrictions as the principal in that account.

(c) The City's finance department shall establish adequate financial and accounting controls to ensure that impact fees disbursed from the account are utilized solely for the purposes for which the impact fees were imposed, as authorized by Chapter 395 of the Texas Local Government Code. Disbursement of funds shall be authorized by the City at such times as are reasonably necessary to carry out the purposes and intent of this ordinance; provided, however, that any fee paid shall be expended within a reasonable period of time, but not to exceed ten (10) years from the date the fee is deposited into the account.

(d) The City's finance department shall maintain and keep financial records for impact fees, which shall show the source and disbursement of all fees collected in or expended from each service area. The records of the account into which impact fees are deposited shall be open for public inspection and copying during ordinary business hours, subject to fees as provided pursuant to law.

Sec. 3.1.2. Use of Proceeds of Impact Fee Accounts

(a) The impact fees collected for each service area pursuant to this ordinance may be used to finance or to recoup the costs of any capital improvements or facilities expansions identified in the applicable capital improvements plan for impact fees for the service area, including the construction contract price, surveying and engineering fees, land acquisition costs (including land purchases, court awards and costs, attorney's fees, and expert witness fees), and the fees actually paid or contracted to be paid to an independent qualified engineer or financial consultant preparing or updating the capital improvements plan for impact fees who is not an employee of the City. Impact fees may also be used to pay the principal sum and interest and other finance costs on

bonds, notes or other obligations issued by or on behalf of the City to finance such capital improvements or facilities expansions.

(b) Impact fees collected pursuant to this ordinance shall not be used to pay for any of the following expenses:

(1) Construction, acquisition or expansion of public facilities or assets other than capital improvements or facility expansions identified in the applicable capital improvements plan;

(2) Repair, operation, or maintenance of existing or new capital improvements or facilities expansions;

(3) Upgrading, updating, expanding or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards;

(4) Upgrading, updating, expanding, or replacing existing capital improvements to provide better service to existing development; provided, however, that impact fees may be used to pay the costs of upgrading, expanding or replacing existing capital improvements in order to meet the need for new capital improvements generated by new development;

(5) Administrative and operating costs of the City; and

(6) Principal payments and interest or other finance charges on bonds or other indebtedness, except as allowed by Section 395.012 of the Texas Local Government Code.

Sec. 3.1.3 Use of Other Financing Mechanisms

(a) The City may finance capital improvements or facilities expansions designated in the capital improvements plan for impact fees through the issuance of bonds, through the formation of public improvement districts or other assessment districts, or through any other authorized mechanism, in such manner and subject to such limitations as may be provided by law, in addition to the use of impact fees.

(b) Except as herein otherwise provided, the assessment and collection of an impact fee shall be additional and supplemental to, and not in substitution for, any other tax, fee, charge, or assessment which is lawfully imposed on and due against the property.

Sec. 3.1.4. Impact Fee as Additional and Supplemental Regulation

Impact fees established by this ordinance are additional and supplemental to, and not in substitution for, any other requirements imposed by the City on the development of land or the issuance of building permits or certificates of occupancy. Impact fees under this ordinance are intended to be consistent with and to further the policies of City's comprehensive plan, the capital improvements plan for impact fees, the zoning ordinance, subdivision regulations and other City

policies, ordinances and resolutions by which the City seeks to ensure the provision of adequate public facilities in conjunction with the development of land.

Sec. 3.1.5. Functions of Advisory Committee

The advisory committee shall perform the following functions:

- (a) Advise and assist the City in adopting land use assumptions;
- (b) Review the capital improvements plan for impact fees and file written comments thereon;
- (c) Monitor and evaluate implementation of the capital improvements plan for impact fees;
- (d) Advise the City of the need to update or revise the land use assumptions, capital improvements plan for impact fees and impact fees; and
- (e) File a semiannual report evaluating the progress of the City in achieving the capital improvements plan for impact fees and identifying any problems in implementing the plans or administering the impact fees.

Sec. 3.1.6. Updates to Plans and Revision of Fees

- (a) The City shall update its land use assumptions and capital improvements plan for impact fees and shall recalculate its impact fees not less than once every five (5) years in accordance with the procedures set forth in Texas Local Government Code chapter 395.
- (b) The City may review its land use assumptions, capital improvements plan for impact fees, plans, and other factors such as market conditions more frequently than provided in subsection (a) to determine whether the land use assumptions and capital improvements plan for impact fees should be updated and the impact fee recalculated accordingly.

DIVISION 3.2. OFFSETS, REFUNDS, APPEALS, AND OTHER RELIEF

Sec. 3.2.1. Offsets and Credits Against Impact Fees

(a) The City shall offset the reasonable value of any system facility which is on the impact fee capital improvements plan and which has been dedicated to the City and accepted by the City after **January 11, 2022**, or credit the amount of any monetary contribution to that facility, against the amount of the impact fee for that category of capital improvement.

(b) All offsets and credits against impact fees shall be subject to the following limitations and shall be granted based on this ordinance and additional standards promulgated by the City Council, which may be adopted as City Council-approved administrative guidelines.

(1) No offset or credit shall be given for the dedication of land or easements for or the construction of site-related facilities.

(2) No offset or credit shall exceed the documented and City approved costs to the developer of the system facility which was dedicated to and accepted by the City, or the amount of the monetary contribution actually made.

(3) The costs used to calculate the offsets shall not exceed those assumed for the capital improvements included in the capital improvements plan for impact fees for the category of facilities within the service area for which the impact fee is imposed.

(4) Offsets or credits given for system facilities for a development which has received final plat approval prior to the effective date of any amendatory ordinance shall be discounted taking into consideration the number of existing service units within that development.

(5) An offset or credit created pursuant to prior impact fee ordinances for which a specific termination date was not established shall expire no later than ten (10) years after the date the ordinance under which that offset or credit was created was amended, repealed or replaced. Offsets or credits created pursuant to this ordinance shall expire within ten (10) years from the date the offset or credit was created.

(6) In no event will the City reimburse the property owner or developer for an offset or credit when no impact fees for the new development can be collected pursuant to this ordinance or for any amount exceeding the total impact fees due for the development for that category of capital improvement, unless otherwise agreed to by the City.

(7) No offset shall be given for a site-related or system facility or any facility which is not identified within the applicable impact fees capital improvements plan, unless the City agrees that such improvement supplies capacity to new developments other than the development paying the impact fee and provisions for offsets are incorporated in an agreement for capital improvements and an amendment is adopted adding that improvement to the impact fees capital improvements plan.

(8) A provision stating that in those instances where the City determines the projected cost to construct a system facility is not roughly proportionate to the dollar value of the impact fee credits which may be awarded for that system facility the City may consider, upon request of the developer, awarding impact fee credits based on the lesser of a percentage of the City's projected costs for that system facility or a percentage of the documented and City-approved costs to the developer of the system facility which was dedicated to and accepted by the City with the City's projected costs or the documented and City-approved costs to the developer being reduced by the same percentage of reduction as applied to the maximum impact fee per service unit (pre-credit) to arrive at the maximum assessable impact fee per service unit (post-credit).

(c) An applicant for new development must apply for an offset or credit against impact fees due for the development either at the time of application for final plat approval or at the time of connection(s) to the utility system, unless the City otherwise agrees. The applicant shall file a

petition for offsets or credits with the City on a form provided for that purpose. The City must provide the applicant, in writing, with a decision on the offset or credit request, including the reasons for the decision within ninety (90) days.

(d) The available offset or credit associated with the plat shall be applied against an impact fee in the following manner:

(1) For single family residential lots in a new development consisting only of single-family residential lots which have received final plat approval, that offset or credit shall be applied at the time of issuance of the building permit or connection to the City's utility system by the first lot and thereafter for each subsequent lot within the final plat at the time of plat recordation in the order in which building permits or utility connections are issued for those lots until the offset or credit has been exhausted, unless stipulated otherwise in a binding facilities agreement or a binding impact fee credit agreement.

(2) For all other types of new development, including those involving mixed uses, which have received final plat approval, the offset or credit applicable to the plat shall be applied to the impact fee due at the time of issuance of the first building permit or connection to which the offset or credit is applicable, and thereafter to all subsequently issued building permits or connections, until the offset or credit has been exhausted, unless stipulated otherwise in a binding facilities agreement or a binding impact fee credit agreement.

(3) At its sole discretion, the City may authorize alternative credit or offset agreements upon petition by the owner in accordance with guidelines promulgated by the City Council.

(e) (1) An owner of a new development may construct or finance a capital improvement or facility expansion designated in the capital improvements plan for impact fees, if required or authorized by the City, by entering into a facilities agreement with the City prior to the issuance of any building permit for the development. The agreement shall be on a form approved by the City, and shall identify the estimated cost of the improvement or expansion, the schedule for initiation and completion of the improvement or expansion, a requirement that the improvement be designed and completed to City standards and such other terms and conditions as deemed necessary by the City. The facility agreement shall provide for the method to be used to determine the amount of the offset to be given against impact fees due for the development.

(2) In the event that the cost of any improvements constructed pursuant to this subsection exceeds the impact fee to be collected for the new development, the City shall within ten (10) years reimburse the owner for the dedication, construction or financing of a capital improvement or facility expansion designated in the capital improvements plan for impact fees. The terms of reimbursement shall be incorporated in the agreement. Such reimbursement agreements shall take into account the proximity of the new development to existing infrastructure and may require a repayment schedule which is based upon actual connections to the improvements constructed. Reimbursement agreements shall further be based on and made subject

to the availability of City funds from all sources including current and projected impact fee fund accounts.

Sec. 3.2.2. Refunds

(a) An impact fee collected pursuant to this ordinance shall be considered expended and spent if the total expenditures for capital improvements authorized in the capital improvements plan within the ten (10) years following the date of payment exceed the total fees collected for those improvements during that time period.

(b) On the request of an owner of the property on which an impact fee has been paid, the City shall refund the impact fee if existing facilities are available and service is denied or the City has, after collecting the fee when service was not available, failed to commence construction within two (2) years or service is not available within a reasonable period considering the type of capital improvement or facility expansion to be constructed, but in no event later than five (5) years from the date of payment.

(c) The City shall refund any impact fee or part of it that is not spent as authorized within ten (10) years after the date of payment.

(d) Any refund shall bear interest calculated from the date of collection to the date of refund at the statutory rate as set forth in Texas Finance Code section 302.002.

(e) All refunds shall be made to the record owner of the property at the time the refund is paid. However, if the impact fees were paid by another political subdivision or governmental entity, payment shall be made to the political subdivision or governmental entity.

Sec. 3.2.3. Appeals

(a) The property owner or applicant for a new development may appeal the following administrative decisions to the City Manager or designee:

- (1) The applicability of an impact fee to the new development;
- (2) The amount of the impact fee due;
- (3) The availability of, the amount of, or the expiration of an offset or a credit;
- (4) The application of an offset against an impact fee due;
- (5) The amount of the impact fee in proportion to the benefit received by the new development; or
- (6) The amount of a refund due, if any.

(b) The appellant shall appeal to the City Manager or designee within thirty (30) days of the event giving rise to the appeal and state the basis for the appeal in writing with particularity. The burden of proof shall be on the appellant to demonstrate that the amount of the fee or the amount of the offset was not calculated according to the rules set forth in this ordinance or by administrative guideline adopted by the City Council. The appellant shall submit any study or other documents upon which he relies to the City with the request for appeal.

(c) The appellant may appeal the decision of the City Manager to the City Council. The appellant must file a notice of appeal with the City Manager or designee within thirty (30) days following the decision. If the notice of appeal is accompanied by a bond or other sufficient surety with offices for local presentment in a form satisfactory to the City Attorney in an amount equal to the original determination of the impact fee due, the development application may be processed while the appeal is pending.

(d) The appellant shall promptly pay to the City the full amount of the impact fee determined to be due by the City Council regarding that appeal. Failure to promptly pay that impact fee within five (5) business days after the City Council's determination on the appeal shall serve as authority for the City to present the bond or other surety to the bonding company or financial institution for performance with no other or further notice or contact with the appellant.

ARTICLE 4. MISCELLANEOUS

Sec. 4.1. Remedies

Any and/or all of the following civil remedies may be imposed for violation of any provision of this ordinance: injunctive relief, declaratory relief, monetary damages, attorney's fees and all other expenses incurred in enforcing the City's rights or the violator's obligations or liabilities, costs of court, interest as provided by law, and all other remedies at law or in equity.

Sec. 4.2. Cumulative Obligations and Remedies; No Election of Obligations or Remedies

a. All obligations and provisions under this ordinance or under any other applicable laws are cumulative. No such obligations or provisions shall be construed to limit any other such obligations or provisions.

b. All remedies in favor of the City or against any person other than the City under this ordinance, or under any other applicable laws are cumulative. The pursuit or receipt by the City of any one or more remedies shall not constitute an election of remedies, and shall not prevent the City from pursuing and receiving any and all other remedies of any nature whatsoever.

Sec. 4.3. Conflicts in Terms

In the event of any conflict in the terms of this ordinance, or between the terms of this ordinance and any other ordinance, the stricter provision or higher fee shall govern and control.

Sec. 4.4. Nonwaiver of Immunity

Nothing herein, in any document issued pursuant hereto, or in any action, omission, or condition pursuant hereto shall ever be construed as a full or partial waiver of governmental

immunity, official immunity, or any other immunity of the City or any of its agents, officers, attorneys, or employees.

Sec. 4.5. Nonwaiver by Nonenforcement

The failure or omission of the City, upon one or more occasions, to enforce any right, obligation, or remedy under this ordinance or any other applicable laws shall never be construed as a waiver of the City's right to strictly enforce that right, obligation, or remedy, and the City may resume such strict enforcement without advance notice.

Sec. 4.6. Non-Liability Of City

Neither the City nor any of its agents, officers, attorneys, or employees shall have any liability of any nature to any person other than the City for any act, omission, or condition in any way directly or indirectly related to the subject matter of this ordinance.

Sec. 4.7. Severance Clause


If any part of this ordinance, of whatever size, is ever declared wholly or partly invalid or unenforceable for any reason, as enacted or as applied, the remainder of this ordinance shall remain in full force and effect. Without limiting the generality of the foregoing, if any fee or part of a fee imposed pursuant to this ordinance is ever declared wholly or partly invalid or unenforceable for any reason, as enacted or as applied, then the remainder of that fee and all other fees imposed pursuant to this ordinance shall remain in full force and effect.

Sec. 4.8. Effective Date

This ordinance shall be effective immediately upon its passage, approval, and adoption. The Home Rule Charter of the City provides for this ordinance to be enacted upon only one reading, because Texas Local Government Code chapter 395 required hearings before the passage of this ordinance.

PASSED, APPROVED, AND ADOPTED JANUARY 11, 2021.

CITY OF IOWA COLONY

By: 
MICHAEL BYRUM-BRATSEN,
MAYOR

ATTEST:


KAYLEEN ROSSER,
CITY SECRETARY

Iowa Colony/Ordinances/Impact Fees (01-11-2021)



**ATTACHMENT TO IOWA COLONY
IMPACT FEE ORDINANCE**

**WATER AND WASTEWATER IMPACT
FEE STUDY**

Water and Wastewater Impact Fee Study

Study Period 2021 - 2031



Adopted: November 30, 2021

Resolution No. 2021-26

ADICO
CONSULTING ENGINEERS
TBPE Firm No. 16423
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Friendswood, TX 77546
(832) 895-1093

ADICO, LLC
TBPE FIRM NO. F-16423



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1.0 INTRODUCTION

Adico, LLC has been contracted by the City of Iowa Colony ("the City") to prepare the City's Impact Fee study, for the purposes of establishing a capital recovery fee schedule for new development in the City's water and wastewater service area. The City of Iowa Colony is in a high growth corridor along State Highway 288, south of Houston, Texas. The City has grown rapidly through Municipal Utility Districts ("MUDs") utilized by developers to provide water and sewer infrastructure. The City is planning projects to interconnect these systems in order to provide a fully integrated public utility system in the future. These projects were identified in the City's recently adopted Water and Wastewater Master Plan ("the Master Plan") along with projects to connect to areas not currently served by the MUDs.

This study was conducted in compliance with the State of Texas Local Government Code, Title 12, Planning and Development, Subtitle C, Chapter 395, "Financing Capital Improvements in Municipalities, Counties, and Certain Other Local Governments", herein referred to as "Chapter 395". Under Chapter 395 requirements, the City is required to adopt an ordinance, order, or resolution approving land use assumptions and capital improvements plan ("CIP") prior to considering adoption of a Capital Recovery Fee, also referred to herein as an "impact fee."

The objectives of this study are to:

- a) Estimate the probable growth of the City; both in terms of population increases and geographical location of the anticipated growth.
- b) Estimate the capital improvement costs that will be needed to provide water and wastewater utility service to this growth through the 10-year development horizon. Eligible projects and costs proposed in the City's Master Plan will be utilized;
- c) Calculate the maximum allowable impact fees that may be assessed to new development to defray the cost of the required water and wastewater improvements needed to support the development.

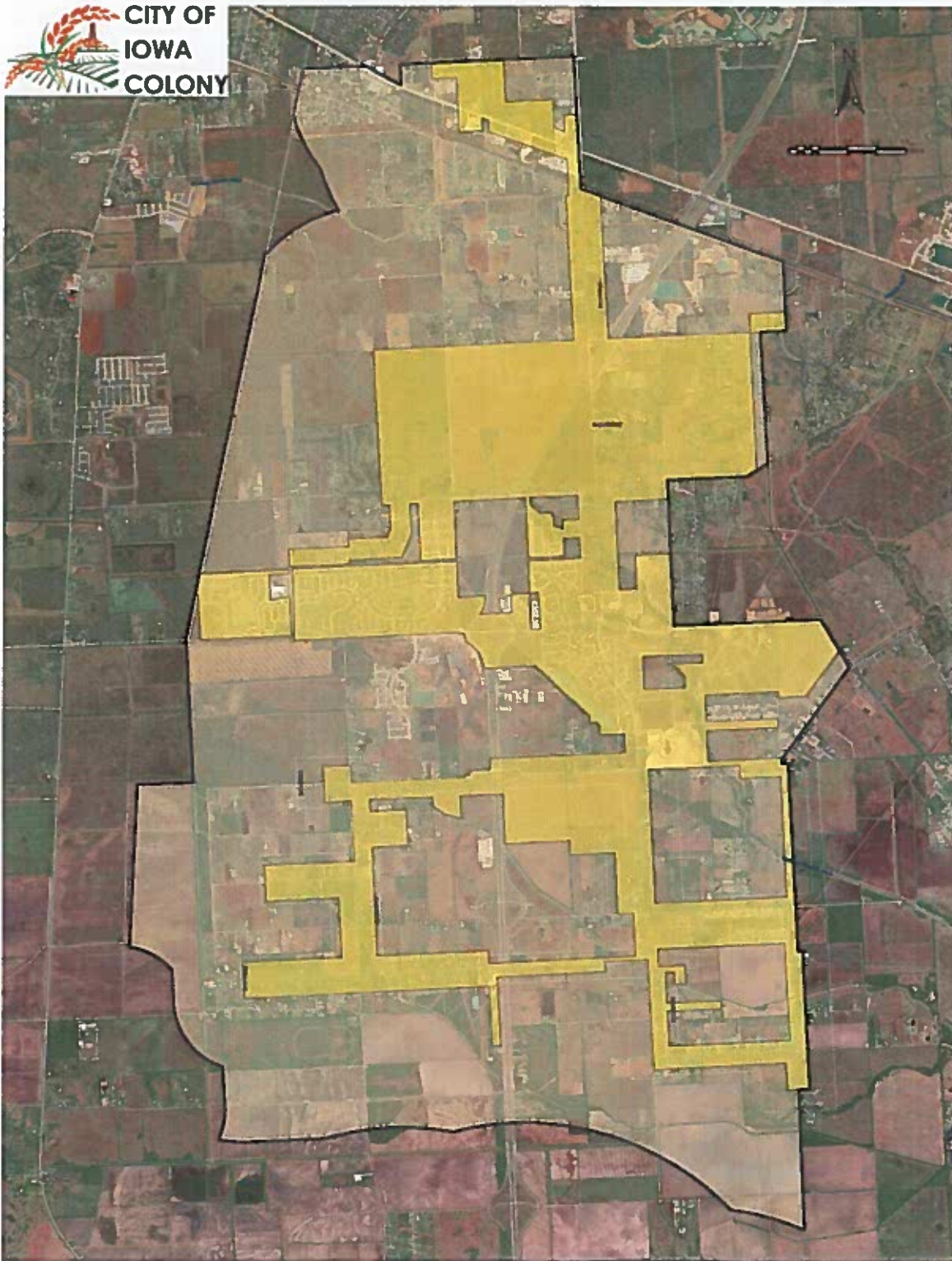
Impact Fees are proposed to be charged by the City for each new connection to the City's water and/or wastewater system. Chapter 395 of the Texas Local Government Code prescribes the required process for cities to follow for adoption, amendment, and update of Impact Fees charged. Updates are performed on a five-year cycle. The update process requires engaging a Registered Professional Engineering firm to prepare the aforementioned documents and calculations. The results are then to be presented to an Advisory Committee appointed by the City Council to review and recommend adoption of land use assumptions, population projections, proposed CIP projects, and the amount of the Impact Fees to be considered and adopted by the City.

For purpose of this study, it is recommended that the City adopt a ten-year planning period from 2021-2031 and consider factors affecting growth rates, intensity of development, known major development projects, and projections by local and state agencies to guide the land use assumptions and resulting CIP. Water and wastewater studies and reports performed during this period are also reflected herein. The City adopted a Water and Wastewater Master Plan in June 2021 that proposed projects and provided the 10-year CIP that will be the basis of the cost and calculations provided herein.

2.0 SERVICE AREA

The proposed service area adopted in the City's recently adopted Water and Wastewater Master Plan is shown in Figure 1. The service area includes the area within the City of Iowa Colony's City Limit and ETJ. In the future, as areas are contemplated for annexation, the Service Area Map should be updated to reflect the annexed area. Many areas in the City's ETJ were considered for future connection to the ultimate integrated City system in the Master Plan and may be assessed for impact fees until. Areas outside the City Limits in which the City is considering executing a development agreement for water and/or wastewater service should also be incorporated into the service area and the specific terms regarding impact fee collection should be considered when these agreements are negotiated.

The municipal utility districts (MUDs) currently operating within the service area are BCMUD 31 and BCMUD 55. Two other MUDs are located within the City's ETJ. BCMUD 32 and BCMUD 53 are anticipated to be annexed in 2031 and 2039, respectively.



	LAND AREA	POPULATION	ASSESSED VALUE
CITY OF IOWA COLONY	8,528 AC	1,876	\$346,184,779
IOWA COLONY ETS	11,776 AC	4,344	\$446,182,776
OVERLAND PARK ETS (MO 311)	7,567 AC	8,557	\$158,767,766
OVERLAND PARK ETS (MO 311)	757 AC	777	\$42,477,887
OVERLAND PARK ETS (MO 311)	976 AC	1,375	\$176,126,837

CITY OF IOWA COLONY

IOWA COLONY COMPREHENSIVE PLAN

Legend	
	Iowa Colony City Limits
	Iowa Colony ETS

ADICO
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PARTNERS

RC Plan Core Computing
Helping Cities Manage Better

3.0 LAND USE ASSUMPTIONS AND POPULATION PROJECTIONS

The Land Use Map (Figure 2) provides the basis for the provision of and requirements for projects to support new development in the service area and to project the number of equivalent service units to fairly allocate the resulting costs through the assessment of Impact Fees. The basis for the Land Use Map for Impact Fees will be the Map adopted in the City's Comprehensive Plan prepared by Marsh Darcy Partners and adopted on June 15, 2020. This will provide consistency with the mapping used for the City's Water and Wastewater Master Plan which will be the basis for this Study. The following factors are considered when preparing a Land Use Map:

- The character, type, density and quantity of existing development.
- Proposed land use.
- Availability of land for future development.
- Current growth trends in the City.
- Location and configuration of vacant land.
- Development agreements in place and under negotiation.
- Known or anticipated development projects.

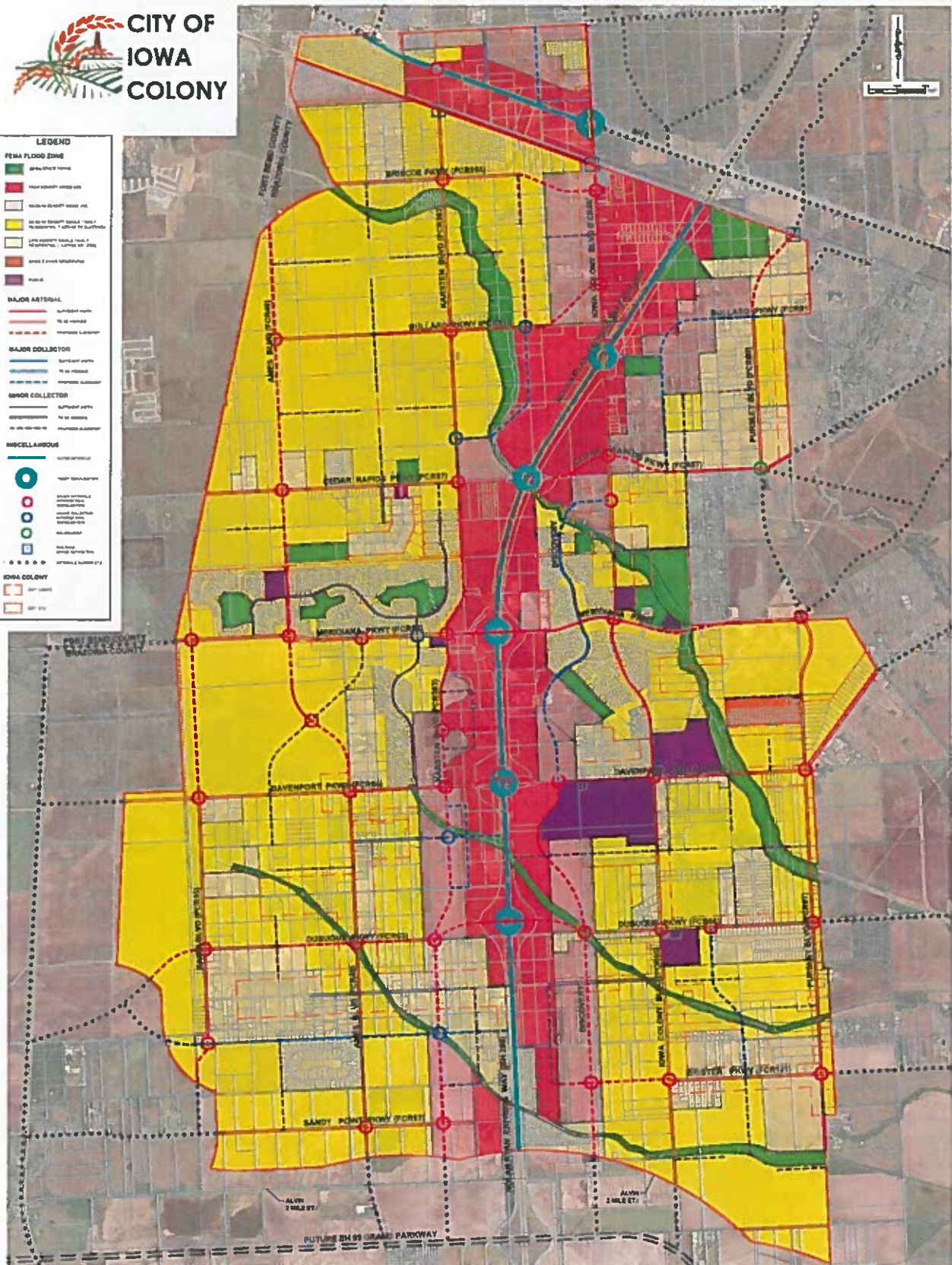
See Figure 2 - Land Use Map

FIGURE 2 - LAND USE MAP



**CITY OF
IOWA
COLONY**

LEGEND	
FEMA FLOOD ZONE	
	0.5 to 1.0 ft above ground
	1.0 to 2.0 ft above ground
	2.0 to 3.0 ft above ground
	3.0 to 4.0 ft above ground
	4.0 to 5.0 ft above ground
	5.0 to 6.0 ft above ground
	6.0 to 7.0 ft above ground
MAJOR ARTERIAL	
	Interstate
	US Highway
	State Highway
MAJOR COLLECTOR	
	Interstate
	US Highway
	State Highway
MINOR COLLECTOR	
	Interstate
	US Highway
	State Highway
MISCELLANEOUS	
	Water Treatment Plant
	Water Distribution Station
	Water Storage Tank
	Water Storage Tank
	Water Storage Tank
	Water Storage Tank
	Water Storage Tank
	Water Storage Tank
	Water Storage Tank
	County Boundary
	City Boundary
	Future Boundary



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RC Plan City Commission
Engineering
2020

CITY OF IOWA COLONY
GENERAL CONCEPT FUTURE LAND USE

ADOPTED JUNE 15, 2020

3.1 BASE DATA

The base population data developed for the Land Use Map by Marsh Darcy for the City's Comprehensive Plan will be utilized for this study. Historical population data was also obtained from US Census data for 2010 as shown in the following **Table 1**. A review of U.S. Census data and the City's Comprehensive Plan data shows that in the period 2010 to 2020, the City grew from a population of 1170 to a population of 7894 largely due to new annexations. Projected population is shown in **Table 1** by year based on linear projections of the data provided in the Comprehensive Plan for years 2020-2025 and 2025-2030.

TABLE 1 – POPULATION DATA

Plan Year	Year End	Estimated Annual Number of Equivalent Service Units (ESU) Added	Total Number of ESUs	Projected Population
	2010		422	1170
	2020		3509	7894
1	2021	560	4068	9154
2	2022	565	4633	10425
3	2023	571	5205	11710
4	2024	578	5782	13010
5	2025	585	6367	14326
6	2026	593	6960	15660
7	2027	602	7561	17013
8	2028	329	7891	17754
9	2029	333	8224	18503
10	2030	344	8568	19278

Note: Sierra Vista Development (BCMUD 32) annexation to occur in 2031

Sierra Vista West Development (BCMUD 53) annexation to occur in 2039.

The meter counts shown below in **Table 2** were obtained from Brazoria County MUDs 31 and 55.

TABLE 2 – WATER METER CONNECTION COUNT (YEAR END 2020)

Meter Size	Number of Connections	Equivalency Factor	Number of Equivalent Connections
5/8"	735	1.00	735
3/4"	1165	1.00	1165
1"	841	1.00	841
1.5"	2	3.33	7
2"	27	5.33	144
3"	2	10.67	22
6"	0	33.33	0
8"	1	53.33	54
Unsize	4	1.00	4
TOTAL	2777		2972

Tables 1 and 2 above reflect that the City can reasonably expect to have **8,568** water service connections in ten years' time. This is based on taking the current population of 7894 minus the 1200 unserved residents (per the Master Plan) to determine that there are approximately 2.25 residents per connection on average.

3.2 TEN YEAR GROWTH ASSUMPTIONS

The current rate of growth in terms of equivalent service units (ESU's) for the City averaged around 310 new ESU's per calendar year based on the period from 2010-2020. With the current total connections in the system expressed in ESU's of approximately 2,972, the growth rate in terms of equivalent connections was approximately 23.6% for the period 2010-2020. **As developments approach buildout, compound annualized growth rate is expected to drop to approximately 7.3%.**

It is recommended that for this 2021 Impact Fee Study the City adopt an average growth rate of approximately 500 Equivalent Service Connections per year to the water and wastewater system. This growth rate is consistent with the 2021 Water and Wastewater Master Plan. For the projected 10-year period, it is estimated that **5,596 new connections** will be added.

3.3 CURRENT & FUTURE DEVELOPMENTS

TABLE 3 – PROJECTED DEVELOPMENT AND ESTIMATED WATER USE

Table 3 - Existing & Future Developments									
Existing Masterplanned Development (In City)									
Subdivision	MUD	Type	Service Area No.	Gross Acreage	Total ESU at Buildout	Total Connections as of 12/31/2020	Remaining	Estimated Average Daily Water Use per Connection	Estimated Daily Water Usage (gpd)
Meridiana	BCMUD 55	Mixed Use	3	1145	2791	865	1926	350	674,100
Sterling Lakes, Sterling Lakes West & Sterling Lakes North	BCMUD 31	Mixed Use	1	977	2753	1571	1182	350	413,700
Existing Masterplanned Development (ETJ)									
Sierra Vista	BCMUD 32	Mixed Use	2	530	1728	358	1370	350	479,500
Sierra Vista West	BCMUD 53	Single Family Residential	2	501	1621	6	1615	350	565,250
Future Masterplanned Development									
DR Horton	BCMUD 87	Single Family Residential	1	658	1600	0	1600	350	560,000
Rise/Meritage	TBD	Single Family Residential	3	259	777	0	777	350	271,950
Rise	TBD	Mixed Use	3	132	528	0	528	350	184,800

The table above shows projected development and estimated water use for various sections of the following subdivisions within the service area:

1. MER – Meridiana (within city limits)
2. SLN – Sterling Lakes North (within city limits)
3. SL – Sterling Lakes (within city limits)
4. SV – Sierra Vista (ETJ, annexation 2031)
5. SVW – Sierra Vista West (ETJ, annexation 2039)

4.0 CAPITAL IMPROVEMENT PLAN

The impact fee Capital Improvement Plan (CIP) includes projects anticipated to serve growth in the City during the 10-year planning period and serve the City's goal to gradually transition ownership of MUD facilities to create a fully integrated public water system from which the City can extend services to all parts of the City, including future annexations. The CIP projects enumerated in **Tables 4 and 5** were identified in the recently completed Master Plan.

4.1 ELIGIBLE FACILITIES

The impact fee legislation allows those projects necessitated by growth during the planning period to be included in the impact fee calculation. Projects included in the CIP include wastewater collection, wastewater treatment, water distribution lines and water production facilities.

4.2 CAPITAL IMPROVEMENT PROJECTS FOR 2021 IMPACT FEE STUDY

The projects eligible for Capital Recovery Fee consideration are shown on **Table 4 (Water)** and **Table 5 (Wastewater)**. These tables show both proposed future CIP improvements, and existing facilities that have excess capacity which can serve some or all of the projected growth during the study period. For the existing facilities, their design capacity was evaluated against existing demands and projected growth to determine the prorated value for growth during the study period.

The capital improvement project maps are shown on **Figure 3 – Water and Wastewater Capital Improvement Plan**.

FIGURE 3A - WATER CAPITAL IMPROVEMENT PLAN

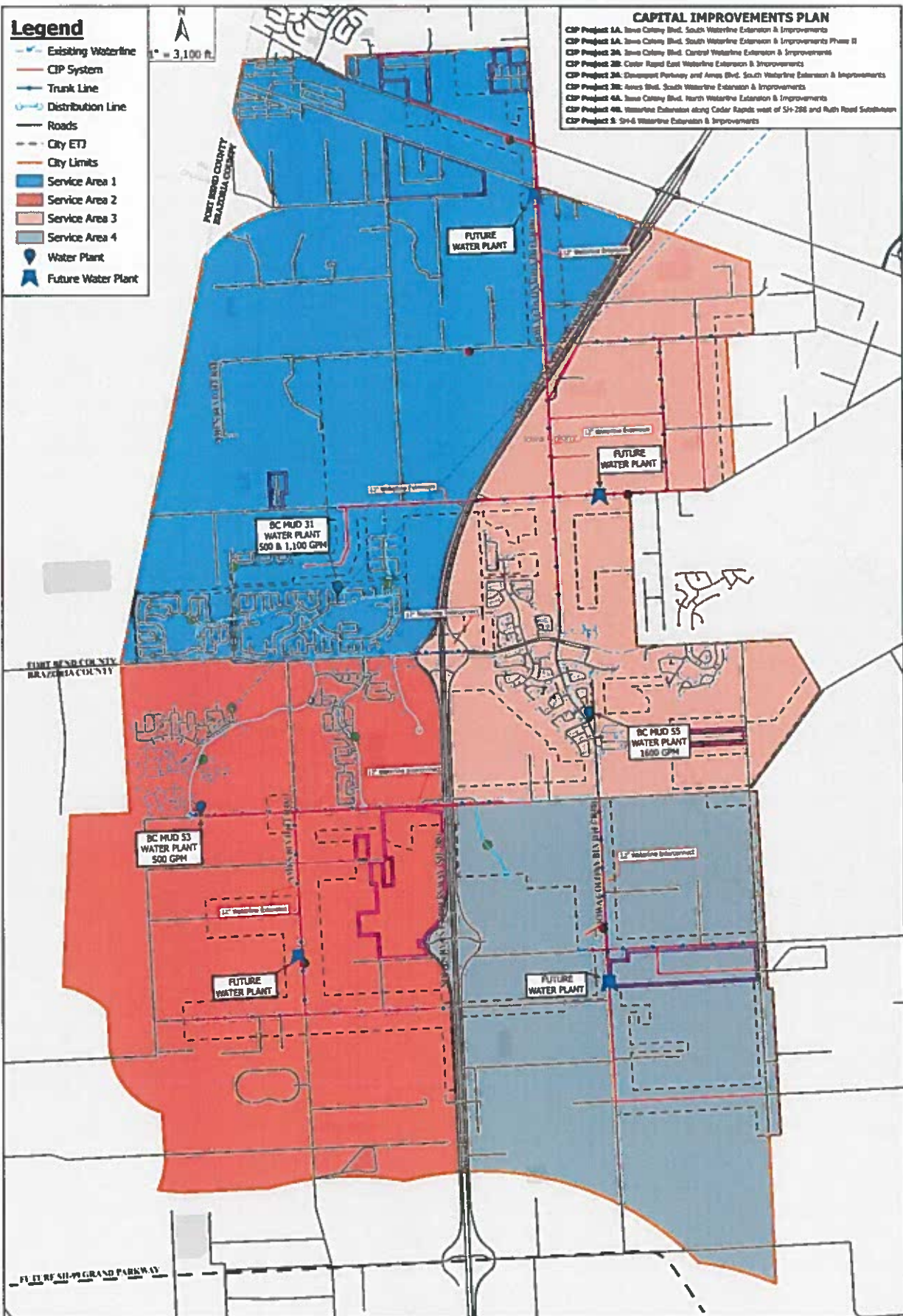


EXHIBIT D

CITY OF IOWA COLONY
WATER SYSTEM MASTER PLAN
CAPITAL IMPROVEMENTS PLAN

FIGURE 3B - WASTEWATER CAPITAL IMPROVEMENT PLAN

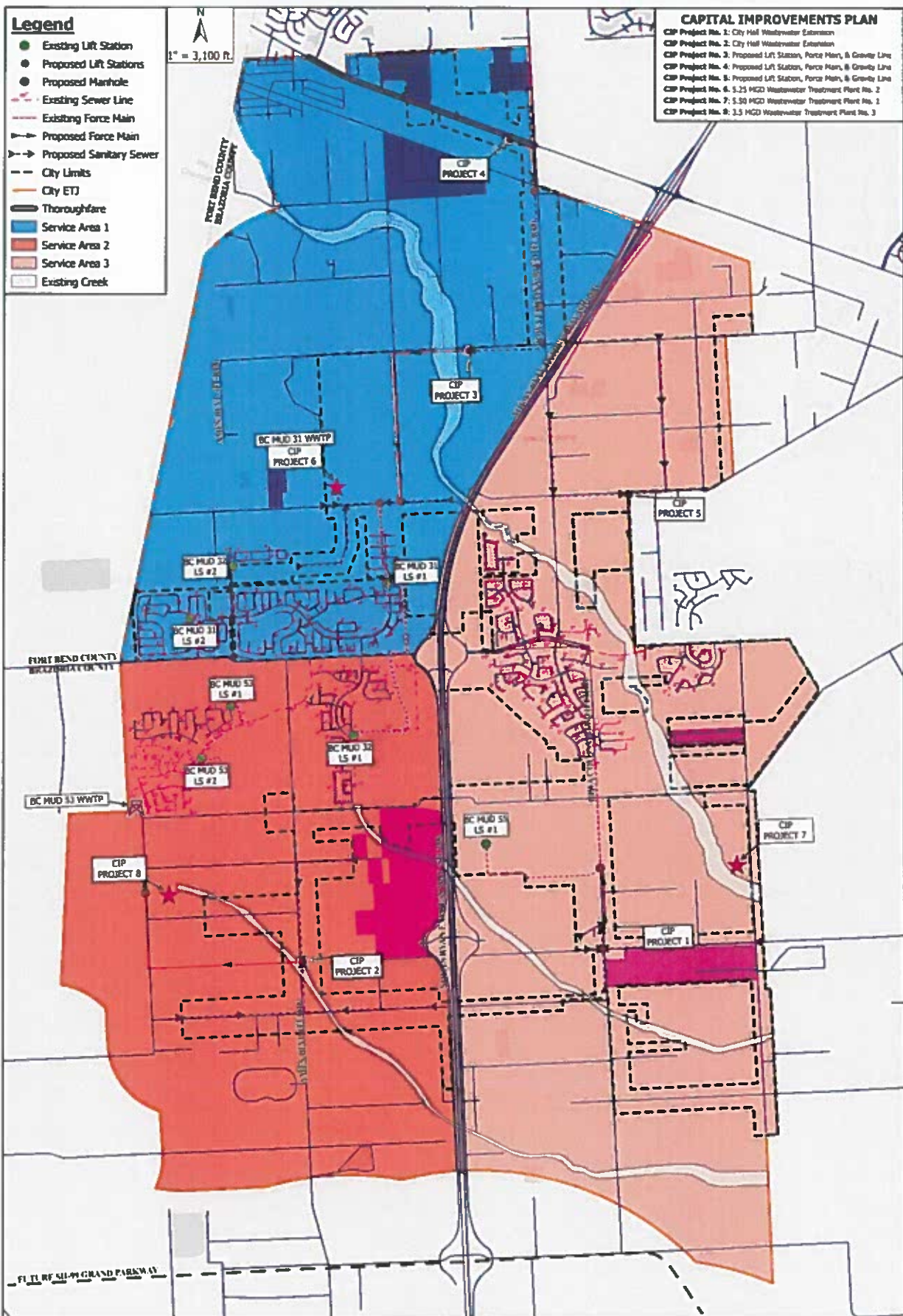


EXHIBIT C
CITY OF IOWA COLONY
WASTEWATER SYSTEM MASTER PLAN
CAPITAL IMPROVEMENTS PLAN

5.0 IMPACT FEE CALCULATION

This section includes a summary of the capital improvement project costs, interest costs, service unit equivalency, and a calculation of the maximum impact fee amount. The capital improvement costs included in the impact fee calculation is the portion of the project cost that is directly related to new growth. Some of the projects include replacement of an existing facility with new capacity added that will be available for future growth. **Tables 4 and 5** on the following pages show the proposed CIP Project Costs Summaries, reflecting costs prorated for new development to be used in the impact fee calculation.

Table 4 – Water Project Costs Summary

Project Name	Project Cost	Planned Year	Percent of Cost Related to New Development	Project Costs Related to New Development
CIP Project No. 1A – 12" and 8" Waterline extension to Iowa Colony City Hall Area, including Magnolia Bend, Kelly Leigh Subdivision area	\$1,949,198.00	2024	80%	\$1,559,358
CIP Project No. 1B – Water Supply Plant, 12" and 8" Waterline extension to serve area south of Iowa Colony City Hall including Brister Road and Edward Lane	\$4,616,460.00	2028	80%	\$3,693,168
CIP Project No. 2A – 12" and 8" Waterline extension to area along Iowa Colony Blvd. north of Meridiana and east of SH 288	\$1,550,475.00	2026	80%	\$1,240,380
CIP Project No. 2B – 12" and 8" Waterline extension to area east of Iowa Colony Blvd. and north of Cedar Rapid Parkway	\$5,427,270.00	2029	80%	\$4,341,816
CIP Project No. 3A – 12" & 8" Waterline extension to serve areas along south of Davenport Parkway along Ames Blvd. to South Hayes Creek, including Duke Road and CR 382	\$2,644,380.00	2026	80%	\$2,115,504
CIP Project No. 3B – Water Supply Plant, 12" and 8" waterline extension to serve areas along Ames Blvd, south of South Hayes Creek, including CR 62	\$1,670,085.00	2030	80%	\$1,336,068
CIP Project No. 4A – 12" Waterline extension and Water Supply Plant to serve areas along Iowa Colony Blvd. north of SH288 to Union Pacific Railroad	\$4,703,400.00	2026	80%	\$3,762,720
CIP Project No. 5 – 12" Waterline extension to serve areas along SH6	\$1,326,375.00	2030	80%	\$1,061,100
Surface Water Planning and Capacity Reservation	\$1,500,000.00	2030	100%	\$1,500,000
TOTAL	\$25,387,643.00			\$20,610,114
New Connections Served in 10 Year Period by Water Capital Improvements				\$5,596
Cost per Connection				\$3,683
Project Cost Assigned to the 10 Year Period				\$20,610,114

Table 5 – Wastewater Project Costs Summary

Project Name	Project Cost	Planned Year	Percent of Cost Related to New Development	Project Costs Related to New Development
CIP Project No. 1 – Lift Station and Force Main to serve areas adjacent to the Iowa Colony City Hall area, including Magnolia Bend, Kelly Leigh Subdivision and surrounding areas	\$1,850,850.00	2024	80%	\$1,480,680
CIP Project No. 2 – Lift Station and Force Main to serve areas south of Davenport Parkway and West of SH 288	\$2,993,204.00	2030	80%	\$2,394,563
CIP Project No. 3 – Lift Station, Force Main and Gravity Sanitary Sewer to serve areas south of Bullard Parkway and West of SH 288 including Ruth Road and BCMUD 35	\$1,802,642.00	2028	80%	\$1,442,114
CIP Project No. 4 – Lift Station, Force Main and Gravity Sanitary Sewer to serve areas along SH 6 and areas along Iowa Colony Blvd., from SH 6 to Bullard Parkway	\$2,093,261.00	2026	80%	\$1,674,609
CIP Project No. 5 – Lift Station, Force Main and Gravity Sanitary Sewer to serve areas north of Meridiana Pkwy	\$2,093,261.00	2026	80%	\$1,674,609
CIP Project No. 6 – 5.25 MGD Wastewater Treatment Plant No. 2 Phase I (1.5 MGD)	\$19,500,000.00	2025	100%	\$19,500,000
CIP Project No. 7 – 5.50 MGD Wastewater Treatment Plant No. 1 Phase I (0.5 MGD)	\$6,500,000.00	2030	100%	\$6,500,000
TOTAL	\$36,833,218.00			\$34,666,574
New Connections Served in 10 Year Period by Wastewater Capital Improvements				5596
Cost per Connection				\$6,195
Project Cost Assigned to the 10 Year Period				\$34,666,574

5.1 FINANCE COSTS DETERMINATION

Costs incurred to support the debt service for the CIP list above are eligible for reimbursement in accordance with the Impact Fee Legislation. This study reflects an estimated interest rate of 2.5% per annum on bonds such as TWDB State Revolving Fund loans. On that basis, the total interest expense for the Impact Fee calculation are as follows, based on a 20-year finance term:

TABLE 6 – FINANCE COSTS

	Water	Wastewater
Eligible Project Cost (Principal)	\$20,610,114	\$34,666,574
Interest Rate	2.50%	2.50%
Term (yrs)	20	20
Total Interest	\$5,706,046	\$9,597,666
Total Eligible Cost with Interest	\$26,316,160	\$44,264,240

5.2 SERVICE UNIT DETERMINATION

The equivalent meter comparison is the method used to measure consumption by new growth for impact fee purposes. The 5/8" and 3/4" water meters serve as the service unit for both water and wastewater impact fee calculations. The equivalent meter is defined as the unit equivalent to the hydraulic capacity of a 3/4" meter. The 5/8" and 3/4" meters were selected because it represents the water meter size for an average single-family dwelling. Equivalency factors were provided for larger meter sizes as developed by the American Water Works Association. Table 7 provides these equivalency factors.

TABLE 7 – EQUIVALENT METER FACTORS

Meter Size (inches)	Equivalency Factor
5/8	1.00
3/4	1.00
1	1.00
1.5	3.33
2	5.33
3	10.00
4	16.67
6	33.33
8	53.33

5.3 MAXIMUM IMPACT FEE CALCULATION

The maximum assessable impact fee is determined by dividing the cost of the CIP projects plus interest by the projected increase in equivalent meters for the 10-year planning period. The fee for various meter sizes is then determined by applying the factors provided in Table 7 for all meters larger than the standard 3/4" residential meter. The maximum assessable impact fee for the City of Iowa Colony for water and wastewater is as follows:

WATER

Maximum Water Impact Fee = (Water Cost / 5596 new connections) = (\$20,610,114 / 5596) = \$3,683

= (Finance cost \$ / 5,596 new connections) = \$5,706,046 / 5596 = \$1,020

Total Water Fee = \$4,703 per equivalent meter

WASTEWATER

Maximum Wastewater Impact Fee = (Wastewater cost / 5596 new connections) = (\$34,666,574 / 5596) = \$6,195

= (Finance cost \$ / 5,596 new connections) = \$9,597,666 / 5596 = \$1,715

Total Wastewater Fee = \$7,910 per equivalent meter

Chapter 395 of the Local Government Code was amended in 2001 to include that the City must provide a credit for the following:

Section 395.014 Paragraph a (7):

- (A) a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the Capital Improvements Plan; or
- (B) In the alternative, a credit equal to 50 percent of the total projected cost of implementing the capital improvements plan.

The Impact Fee legislation allows the City to charge an impact fee up to the amount shown as the calculated maximum. For this study, the maximum impact fee is calculated based on the simplified accounting method in item (B) above as:

50% of Water CIP Costs per Equivalent Meter = \$4,703 x 50% = **\$2,352**

50% of Wastewater CIP Costs per Equivalent Meter = \$7,910 x 50% = **\$3,955**

Total = \$6,307

5.4 CONCLUSIONS AND RECOMMENDATIONS

After discussion and deliberation of the Impact Fee Advisory Committee, the 2021 fee amounts to be recommended to City Council are as shown on Table 8 below:

TABLE 8 – PROPOSED CAPITAL RECOVERY FEES

Water		\$2,350.00
Wastewater		\$3,950.00
TOTAL		\$6,300.00
<u>Multiplying Factors</u>		
Residential Development		Total Impact Fee
Single Family Dwelling	1.00	\$6,300.00
Apartment Complex	1.00	\$6,300.00
Hotel, Motel, Resort, Etc	0.80	\$5,040.00
Mobile Home	1.00	\$6,300.00
Commercial, Retail, Institutional, Light Industrial, and all other non-residential development		Total Impact Fee
5/8"	1.00	\$6,300.00
3/4"	1.00	\$6,300.00
1"	1.00	\$6,300.00
1.5"	3.33	\$20,979.00
2", All Types	5.33	\$33,579.00
3" Compound	10.67	\$67,221.00
3" Turbine	11.67	\$73,521.00
4" Compound	16.67	\$105,021.00
4" Turbine	21.00	\$132,300.00
6" Compound	33.33	\$209,979.00
6" Turbine	43.33	\$272,979.00
8" Compound	53.33	\$335,979.00
8" Turbine	93.33	\$587,979.00
10" Compound	76.67	\$483,021.00
10" Turbine	140.00	\$882,000.00
12" All Types	176.67	\$1,113,021.00

Note 1: When separate dedicated fire system meters and systems are installed, the fire system meters are not charged a separate capital recovery fee.

Note 2: When building fire flow systems are combined with other building water systems, the City Engineer shall determine the equivalency factor based on the meter size that would be required without the fire protection component of the flow.