



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 2

Agenda Date: April 3, 2024

In Control: City Council B Session

DEPARTMENT: Finance Department

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

SAWS Impact Fee Update

SUMMARY:

Briefing by the San Antonio Water System (SAWS) on the process used and results of the update to the SAWS impact fees.

BACKGROUND INFORMATION:

Chapter 395 of the Local Government Code establishes the requirements and the process that must be followed if a municipality is to assess and collect impact fees. One of the requirements is that the LUAP and CIP be updated every five years. The LUAP sets out a description of the service area and forecasts changes in land uses, densities, intensities, and population in the service area over the next 10-year period. Generally, the CIP describes the parts of the capital improvements or facility expansions and their costs necessitated by and attributed to new development in the service area based on the approved land use assumptions. The current LUAP, CIP, and impact fees for water delivery, water supply and wastewater were approved by City Council on May 16, 2019, to be effective in June of 2019.

An impact fee is a one-time charge imposed on new development to help recover capital costs

associated with infrastructure and facility expansions necessary to provide service to that new development. Impact fees provide SAWS with a mechanism to have new development pay its equitable portion of required capital costs with these infrastructure projects. The goal of impact fees is to protect ratepayers from subsidizing new growth.

SAWS began the current process to update all of its impact fees by engaging Carollo Engineers, a professional engineering firm, to conduct a Capital Improvements Plan and an Impact Fee Study. SAWS staff and Carollo Engineers have been providing technical support to the City Council appointed Capital Improvements Advisory Committee (CIAC) since last year. The CIAC held numerous meetings to review the updated LUAP, CIP, and impact fees. The CIAC will make its independent written recommendations to the City Council on the updated LUAP, CIP, and impact fees. Separately, the SAWS Board of Trustees approved a resolution accepting and recommending City Council approve the updated LUAP, CIP and impact fees on March 5, 2024.

Chapter 395 requires the establishment of a public hearing to consider the LUAP, CIP, and impact fees. On April 11, 2024, Council is scheduled to consider an ordinance establishing May 16, 2024, as the public hearing date for LUAP, CIP, and impact fee consideration.

ISSUE:

SAWS staff will provide a briefing on the process used and results of the update to the SAWS impact fees.

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.