

PUBLIC NOTICE

**City of Lockhart
Impact Fee Advisory Committee
Wednesday, April 28, 2021
Immediately following 7:00 PM Planning and Zoning Commission meeting
Municipal Building — Glosserman Room
308 W. San Antonio St.**

COMMISSION MEMBER AUDIO CONFERENCE PARTICIPATION

One or more members of the Lockhart Impact Fee Advisory Committee may participate in the meeting remotely. The member of the Committee presiding over the meeting will be physically present at the above public location. Audio conference equipment providing two-way audio communication with each member participating remotely will be made available, and each portion of the meeting held by audio conference that is required to be open to the public can be heard by the public at the location specified.

CITIZEN AUDIO CONFERENCE PARTICIPATION

- *Call-in number: 1-408-418-9388. Attendee Access Code: 626-304-323#.*
- *Citizens wishing to listen or participate must call in prior to the start of the meeting, and should identify themselves. Attendees may call in to listen only, if desired.*
- *Those wishing to speak will be called upon to address the Committee.*

AGENDA

1. Call meeting to order.
2. Consider the Minutes of the November 18, 2020, 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. Adjourn.

Posted on the bulletin board in the Municipal Building, 308 W. San Antonio St., Lockhart, Texas, at 2:30 PM on the 23rd day of April, 2021.

**City of Lockhart
Impact Fee Advisory Committee
Wednesday, November 18, 2020**

MINUTES

COMMITTEE MEMBERS PRESENT: Philip Ruiz, Phil McBride, Larry Metzler, Brad Lingvai (via phone), Paul Rodriguez (via phone)

COMMITTEE MEMBERS ABSENT: Rick Arnic, Manuel Oliva, Chris St. Leger

STAFF PRESENT: Dan Gibson, Christine Banda, Kevin Waller

VISITORS/CITIZENS ADDRESSING THE COMMITTEE: None

1. Call meeting to order. Member Ruiz called the committee to order at 7:02 p.m.
2. Consider the Minutes of the April 22, 2020 meeting.

Member McBride moved to approve the minutes as submitted, and Member Metzler seconded. The motion passed by a vote of 5-0.

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.

Mr. Gibson reviewed the impact fee revenues and trends, expenditures, account balances, and impact fees charged per living unit equivalent (water, wastewater) and per vehicle mile (road). He said no changes are necessary at this time. Following discussion, the Committee agreed.

Member Metzler moved to have the Chair of the Impact Fee Advisory Committee forward the semi-annual report to City Council with a recommendation that no changes are needed. Member Rodriguez seconded, and the motion passed by a vote of 5-0.

4. Adjourn.

Member McBride moved to adjourn, and Member Metzler seconded. The motion passed by a vote of 5-0, and the meeting adjourned at 7:20 p.m.

Approved: _____
Philip Ruiz, Chair

Date

TO: Impact Fee Advisory Committee
FROM: Dan Gibson, City Planner 
SUBJECT: Semi-annual Impact Fee Staff Report
DATE: April 23, 2020

City of Lockhart
MEMO

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, and impact fees.

The Committee's last meeting was November 18, 2020. This is the 38th status report since the impact fee ordinance was originally adopted on January 15, 2002, and is for the period from October 1, 2020, to March 31, 2021. It is the seventh 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 \$478,662 during the period covered by this report. However, only \$172,087 of that was collected in fees and interest. The remaining difference of \$306,575 was due to an auditor's journal entry to correct for expenses that were previously charged to the water impact fee fund, but restored to the fund during this period due to the expenses being transferred to a bond account that was originally intended for those projects. Fees collected during the six-month period was for 35 new houses, one new office building, and one water tap for agricultural purposes. There were no expenditures of impact fees in any of the accounts for this period. The water, wastewater, and road impact fee account balances for the previous semi-annual report, as well as the current balances as of April 1, 2021, 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 impact fee update consultants. That leaves \$28,482,696 to still be spent. The total balance available remaining collectively in the four impact fee accounts that can be used toward meeting that goal, is currently \$2,623,016.

TRENDS

The bar graph in **Exhibit B** illustrates the impact fee collection trends beginning with the first semi-annual report in July 2003. In recent years, the amount of impact fee revenue collected since the September 2012 report trended upward each six-month period until the September 2015 report, which decreased due primarily to a reduced supply of available vacant lots for new home construction. The revenue in the reporting periods after that trended upward again until the March 2017 reporting period, when building activity fell off considerably and remained about the same for two reporting periods due to another lack of vacant lots for new home construction. However, revenue spiked to a record high amount for the October 2018 reporting period, but trended considerably lower until the reporting period ending on September 31, 2020, which was second only to October 2018 in terms of the highest amount of total revenue. Fees and interest during the current reporting period is about half of the total for the previous period, which had the same number of new homes but also had a new manufactured home, an apartment complex, and a new retail commercial building. As indicated in the footnote in **Exhibit B**, however, the bar for the current period, April 2021, does not reflect the \$306,575 that was restored to the water impact fee account. If that had been included, the bar would have easily been the highest one on the graph.

Construction trends can typically be cyclical, where periods of accelerated growth help offset slow years. Also, the availability of developable lots changes from one period to the next. 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 will be due in 2022. The City Council does have the option of deciding that an update of the land use assumptions, capital improvement plans, and impact fees isn't necessary. In such case, the City can go another five years without an update or, if the need arises, can choose to do an update at any time before the second five years is up. If the City Council does decide that an update is not necessary, a notice of that decision must be published three consecutive times in the newspaper. The notice will say that anyone potentially affected by the impact fees can contact the City within 60 days of the decision and request that the update be done anyway, in which case the City has no choice but to do the update. If nobody requests an update, then the City Council's decision to not do an update takes effect.

If the City Council wishes to do the five-year update, then consultants will need to be hired toward the end of this calendar year or the beginning of 2022 so that their reports can be finished in time to be adopted by the City Council during 2022. Their decision could be postponed until after receiving the next semi-annual report, which will probably be in November. This committee can include your recommendation regarding updating the impact fee land use assumptions, CIP's, and fees at this time, or wait until the next report.

RECOMMENDATION

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 May 4th meeting.

EXHIBIT A

SPRING 2021 IMPACT FEE ACCOUNT BALANCES¹

	<u>October 1, 2020</u>	+	Revenue ²	-	Expense	=	<u>April 1, 2021</u>
Water ³	494,372		371,246		0		865,618
Wastewater	756,473		49,203		0		805,676
Roads (Service Area 1)	642,532		3,644		0		646,176
Roads (Service Area 2)	250,977		54,569		0		305,546
TOTAL	\$2,144,354		\$478,662		\$0		\$2,623,016

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

2. Revenue amounts include accrued interest.

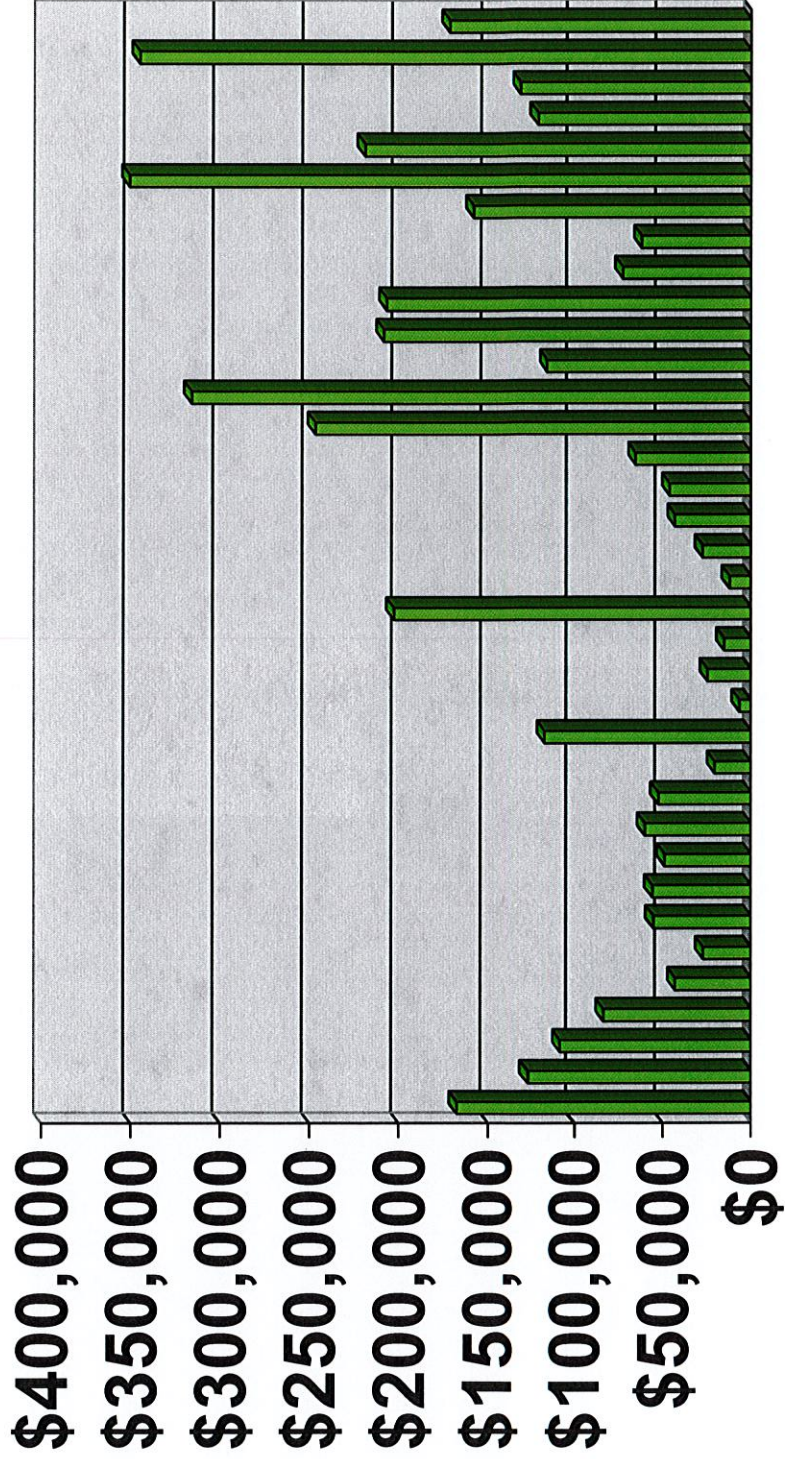
3. The Water Revenue from fees and interest is \$64,671, but the \$371,246 shown includes an additional \$306,575 due to an auditor's journal entry to correct for expenses that were previously charged to the water impact fee fund, but restored to the fund during this period due to the expenses being transferred to a bond account that was intended for those projects.

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, 2020: \$2,623,016

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 - April 2021



NOTE: The revenue shown for April 2021 does not include an additional \$306,575 auditor's journal entry restoring water impact funds that were previously listed as expenses, and which were instead later charged to a bond account that was originally intended for those expenditures.