

## **PUBLIC NOTICE**

**City of Lockhart  
Impact Fee Advisory Committee  
Wednesday, December 8, 2021  
Immediately following 7:00 PM Planning and Zoning Commission meeting  
Municipal Building — Glosserman Room  
308 W. San Antonio St.**

### **AGENDA**

1. Call meeting to order.
2. Consider the Minutes of the April 28, 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 10:30 AM on the 29<sup>th</sup> day of November, 2021.**

**City of Lockhart  
Impact Fee Advisory Committee  
Wednesday, April 28, 2021**

**MINUTES**

COMMITTEE MEMBERS PRESENT: Philip Ruiz, Phil McBride, Larry Metzler, Brad Lingvai,  
Rick Arnic, Manuel Oliva

COMMITTEE MEMBERS ABSENT: Ron Peterson, 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 7:50 p.m.
2. Consider the Minutes of the November 18, 2020, meeting.

*Member Oliva moved to approve the minutes as submitted, and Member Lingvai seconded. The motion passed by a vote of 6-0.*

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 plan, 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, but that a decision will need to be made for the next report as to whether or not to recommend to the City Council that a five-year update be undertaken in 2022. Following discussion, the Committee agreed.

*Member McBride 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 Metzler seconded, and the motion passed by a vote of 6-0.*

4. Adjourn.

*Member Arnic moved to adjourn, and Member Lingvai seconded. The motion passed by a vote of 6-0, and the meeting adjourned at 8:05 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:** November 24, 2021

# 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 (CIP's) , and impact fees.

The Committee's last meeting was April 28, 2021. This is the 39<sup>th</sup> status report since the impact fee ordinance was originally adopted on January 15, 2002, and is for the period from April 1, 2020, to September 31, 2021. It is the ninth 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 \$462,014 during the period covered by this report. Fees collected during the six-month period was for 39 new houses, one retail interior tenant space finish-out, and one industrial building. 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 October 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 \$3,085,031.

## **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. With housing demand at an all-time high, and sufficient platted lots available, the total for this reporting period is the highest of all of the reporting periods. 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 next 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 soon so that their reports can be finished in time to be adopted by the City Council during 2022. The Committee's report to the City Council must include your recommendation regarding updating the impact fee land use assumptions, capital improvement plans, and fees at this time. There are several arguments that would support proceeding with the five-year update. The primary reason is due to construction cost inflation. 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. For example, there is interest in development tracts to the north, south, and southeast of the city that will require annexations and extensions of utilities. Our water CCN (State-authorized service area) has grown by 2,373 acres to the north, but will also need to expand to the south where the rural water supply company currently having jurisdiction is unable to serve urban land use densities.

## **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 December 21<sup>st</sup> meeting.

# EXHIBIT A

## FALL 2021 IMPACT FEE ACCOUNT BALANCES<sup>1</sup>

	<u>April 1, 2021</u>	+	Revenue <sup>2</sup>	-	Expense	=	<u>October 1, 2021</u>
Water	865,618		95,279		0		960,897
Wastewater	805,677		74,166		0		879,843
Roads (Service Area 1)	646,176		7,904		0		654,080
Roads (Service Area 2)	305,546		284,665		0		590,211
<b>TOTAL</b>	<b>\$2,623,017</b>		<b>\$462,014</b>		<b>\$0</b>		<b>\$3,085,031</b>

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

2. Revenue amounts include accrued interest.

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: \$3,085,031

**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 2021

