

## **PUBLIC NOTICE**

**City of Lockhart  
Impact Fee Advisory Committee  
Wednesday, May 11, 2022  
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 December 8, 2021, 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 4:30 PM on the 6<sup>th</sup> day of May, 2022.**

**City of Lockhart**  
**Impact Fee Advisory Committee**  
**Wednesday, December 8, 2021**

**MINUTES**

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

COMMITTEE MEMBERS ABSENT: None

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 9:00 p.m.

2. Consider the Minutes of the April 28, 2021, meeting.

*Member McBride moved to approve the minutes as submitted, and Member Arnic seconded. The motion passed by a vote of 8-0.*

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, expenditures, and account balances for the previous six-month period, and the long-term trends since the City began collecting impact fees. He said the City is at the five-year point where the City Council must decide whether or not a new study of the impact fee land use assumptions, capital improvement plans, and fees is needed. Because of the evolving pattern of development in the City, and significant increases in construction costs, it appears that an update is necessary. Consultants would have to be hired for the update, and their fees are paid from the impact fee accounts. The Committee's recommendation to the City Council can address whether or not the five-year update should be done.

There was discussion.


*Member Oliva moved to have the Chair of the Impact Fee Advisory Committee forward the semi-annual report to City Council with a recommendation that a new study is needed. Member McBride seconded, and the motion passed by a vote of 8-0.*

4. Adjourn.

*Member Arnic moved to adjourn, and Member Metzler seconded. The motion passed by a vote of 8-0, and the meeting adjourned at 9:20 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:** May 6, 2022

**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 December 8, 2021. This is the 40<sup>th</sup> status report since the impact fee ordinance was originally adopted on January 15, 2002, and is for the period from October 1, 2021, to April 1, 2022. It is the tenth 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 \$644,508 during the period covered by this report. Fees collected during the six-month period was for 48 new houses, one 120-unit apartment complex, eight vacation rental cabins, one retail interior tenant space finish-out, one new office building, one convenience store, one restaurant, and one industrial building, plus three water meters not used for buildings. 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. 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 \$3,729,539.

## **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 is 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. In your December 2021 report to the Council, the Committee recommended that a five-year update be undertaken. At their December 21, 2021, meeting, the City Council accepted your report and voted to direct staff to retain consultants to begin the process of the update. Due to the heavy case workload and other projects, staff has only recently contacted consultants for the land use assumptions, revised water/wastewater/road capital improvement plans, and recalculation of impact fees. It is expected that contracts will be in place soon.

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 City Council has already committed to updating the land use assumptions, impact fee capital improvement plans, and fees, there is nothing new for the Committee to recommend other than supporting the City Council's decision. 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 17<sup>th</sup> meeting.

## EXHIBIT A

### ***SPRING 2021 IMPACT FEE ACCOUNT BALANCES<sup>1</sup>***

	<u>October 1, 2021</u>	+	Revenue <sup>2</sup>	-	Expense	=	<u>April 1, 2022</u>
<b>Water</b>	960,897		190,205		0		1,151,102
<b>Wastewater</b>	879,843		134,522		0		1,014,365
<b>Roads (Service Area 1)</b>	654,080		309,110		0		963,190
<b>Roads (Service Area 2)</b>	590,211		10,671		0		600,882
<b>TOTAL</b>	<b>\$3,085,031</b>		<b>\$644,508</b>		<b>\$0</b>		<b>\$3,729,539</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:	\$3,729,539

**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 2022**

