



# STAFF REPORT

**MEETING DATE:** December 19, 2024

**TITLE:**

Consider and act on a proposed impact fee analysis as presented by NewGen Strategies and Solutions, Inc

**AGENDA ITEM SUBMITTED BY:**

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, City Manager

**BACKGROUND/HISTORY:**

Planning and Zoning Impact Fee Advisory Committee is established to provide a mechanism for public input and recommendation for impact fee rates to Planning and Zoning Commission, and ultimately to the City of Bastrop City Council.

*“Impact Fee means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development”*

*Texas Local Government Code §395.001*

The following costs are recoverable:

- Construction
- Surveying and Engineering
- Land Acquisition and Associated Costs
- Financing Costs
- Engineering Costs Associated with Land Use/Capital Improvements Planning and/or Financial Consulting Associated with Developing Impact Fees (Not Employed by the City)

An impact fee is calculated as:

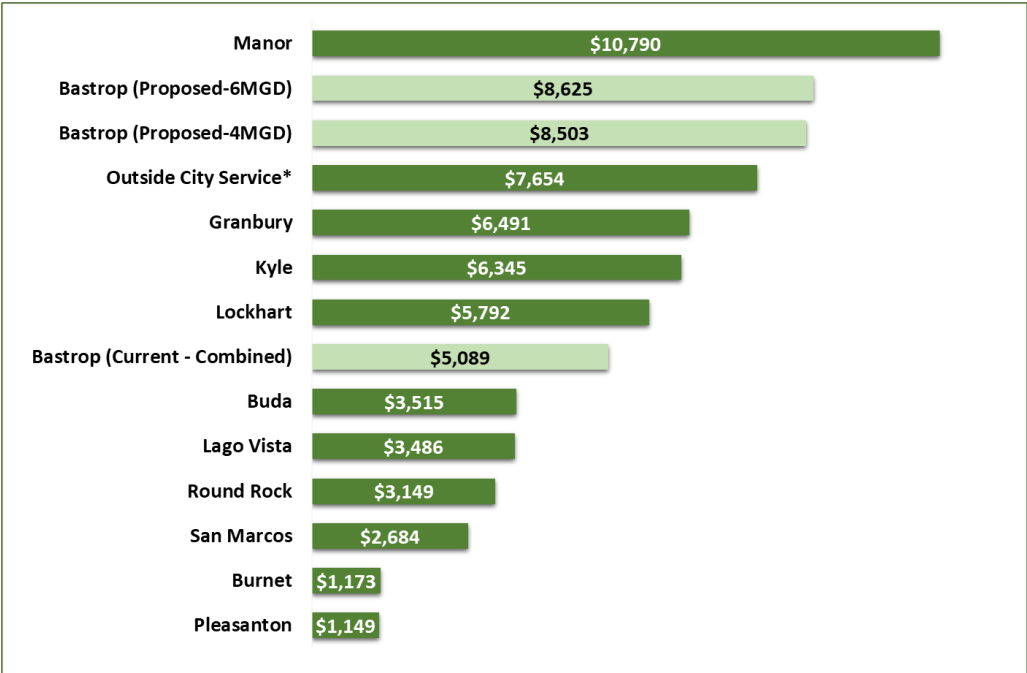
$$\text{Impact Fee} = (\text{Cost of Impact Fee CIP} - \text{Credit}) / (\text{New Service Units})$$

The City must review impact fees at least every 5 years but can review and soon as annually. In a period of rapid growth, it is important that Bastrop keep pace with the amount of growth that is in our area and served by the City. The wastewater impact fees specifically must be addressed to service future wastewater treatment plant expansion needs with projections exceeding \$100M for a 4MGD (million gallons per day) expansion. Engineering projections estimate at least another 6-8MGD will be needed in the next 10 years, and 12MDG in the next 20 years.

W/ 4 MGD Plant Expansion	Total Project Amount	% for 2024-2034 Growth	Impact Fee Eligible
Wastewater Treatment	\$ 267,514,174	9.53%	\$ 25,485,048
Wastewater Pumping	6,703,660	13.000%	871,786
Major Collection Lines	27,263,235	95.02%	25,905,822
Impact Fee Study	6,250	100.00%	6,250
<b>Total</b>	<b>\$ 301,487,319</b>		<b>\$ 52,268,906</b>

W/ 6 MGD Plant Expansion	Total Project Amount	% for 2024-2034 Growth	Impact Fee Eligible
Wastewater Treatment	\$ 332,014,174	7.86%	\$ 26,080,642
Wastewater Pumping	6,703,660	13.000%	871,786
Major Collection Lines	27,263,235	95.02%	25,905,822
Impact Fee Study	6,250	100.00%	6,250
<b>Total</b>	<b>\$ 365,987,319</b>		<b>\$ 52,865,500</b>

The proposal is to increase the wastewater impact fee from \$5,089 to \$8,625, a 69% increase, and would rank Bastrop at near the top of the local area, but also keeps pace with Bastrop’s astronomical growth, expected to see a 40%+ increase by 2030.



**FISCAL IMPACT:**

Total wastewater debt is approximately \$140M. If the wastewater impact fees are not increased, the cost of the debt must be spread to not only new development, but also existing customers.

Issue	Fund	Total		
		Principal	Interest	Total
2023 Combination Tax and Revenue Certificates of Obligati	Utility Fund	26,910,000.00	24,257,225.30	51,167,225.30
2021 Combination Tax and Revenue Certificates of Obligati	Utility Fund	33,500,000.00	13,488,450.20	46,988,450.20
2021 General Obligation Refunding Bonds	Utility Fund	2,105,000.00	396,800.00	2,501,800.00
2021A General Obligation Refunding Bonds	Utility Fund	4,315,000.00	614,715.50	4,929,715.50
2020 Water and Wastewater Utility System Revenue Bonds	Utility Fund	19,545,000.00	8,784,750.00	28,329,750.00
2020 General Obligation Refunding Bonds	Utility Fund	40,089.00	509.14	40,598.14
2019 Water and Wastewater Utility System Revenue Bonds	Utility Fund	1,630,000.00	468,550.00	2,098,550.00
2016 General Obligation Refunding Bonds	Utility Fund	555,000.00	62,900.00	617,900.00
2021B Notes Payable	Utility Fund	60,000.00	0.00	60,000.00
2014 Combination Tax and Revenue Certificates of Obligati	Utility Fund	2,218,725.00	275,812.32	2,494,537.32
2007 Certificates of Obligation	Utility Fund	571,341.00	47,327.43	618,668.43
2006 Certificates of Obligation	Utility Fund	72,030.00	5,502.15	77,532.15
Total		91,522,185.00	48,402,542.04	139,924,727.04

**RECOMMENDATION:**

Approve the recommended impact fee to \$8,625 from \$5,089.

**ATTACHMENTS:**

1. Presentation