



STAFF REPORT

MEETING DATE: February 25, 2025

TITLE:

Conduct a public hearing, consider and act on the first reading of Ordinance No. 2025-08, authorizing an update and amending Bastrop Code of Ordinances, Chapter 13, Article 13.12, entitled "Impact Fees", updating the land use assumptions, Capital Improvement Plan and amending Impact Fees for Wastewater Utilities, as attached in Exhibits A-C; and move to include on the March 11, 2025, agenda for a second reading.

AGENDA ITEM SUBMITTED BY:

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

BACKGROUND/HISTORY:

The Impact Fee Capital Improvements Advisory Committee received a presentation from NewGen Strategies on December 19, 2024. 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.

The Planning and Zoning Impact Fee Advisory Committee unanimously voted to recommend the impact fee increase to \$8,625 from \$5,089 to the 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:

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

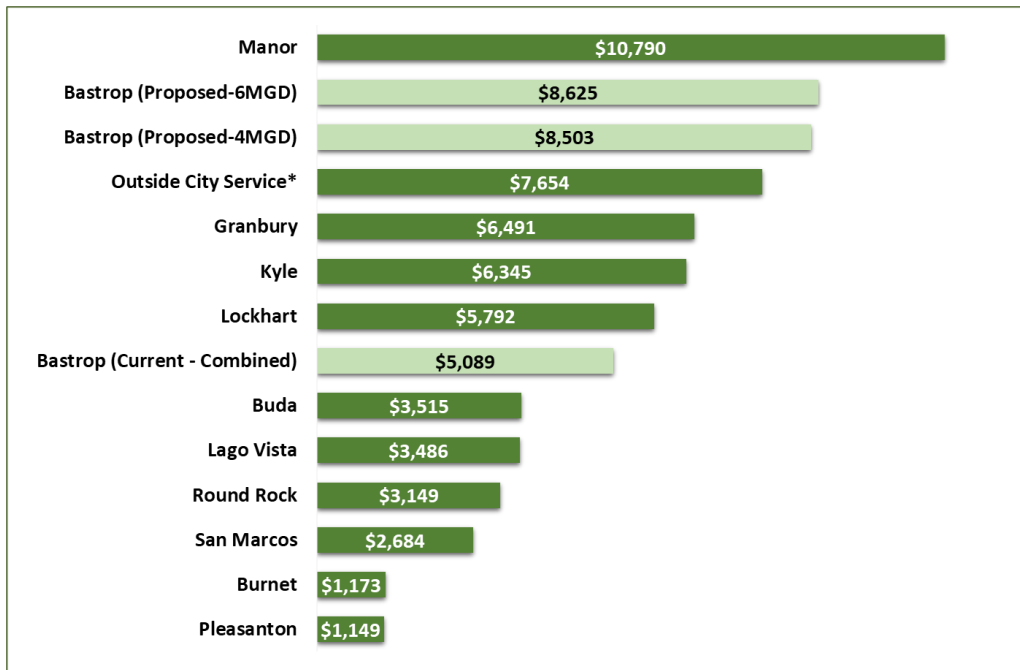
The City must review impact fees at least every 5 years but can review more frequently as needed. In a period of rapid growth, it is important that Bastrop keep pace with the amount of growth that is in our area and served by the City. The wastewater impact fees specifically must be addressed

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
Total	\$ 301,487,319		\$ 52,268,906

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
Total	\$ 365,987,319		\$ 52,865,500

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 developments but also existing customers.

RECOMMENDATION:

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

ATTACHMENTS:

1. Ordinance No. 2025-08
2. Impact Fee Exhibits for 4MGD
3. Impact Fee Exhibits for 6MGD