

MAYOR AND COUNCIL COMMUNICATION

DATE: May 7, 2024
TO: Mayor and Council
FROM: Mindy Teague, Planning and Zoning Director
THROUGH: Crystal Caldera, Ph.D., City Manager

SUBJECT: Presentation, Discussion, and Public Hearing to Consider Approval of an Ordinance Revising the Leon Valley Code of Ordinances, Chapter 14 Utilities, Article 14.04 Water and Appendix A, Section A16 Impact Fees to Create a New Article 14, Section 14.12 Impact Fees and Revising Appendix A, Section A16 Water and Wastewater Impact Fees

SPONSOR(S): N/A

PURPOSE

The purpose of this item is to consider approval of an Ordinance that would increase the fees charged to new development for connection to the city's water and wastewater systems and to create a new section under Chapter 14 Utilities to add the regulations for impact fees and revise Appendix A Schedule of Fees, Article 16 which will now reflect only the fee portion for impact fees assigned to new development.

The last time the water and sewer impact fees were increased was in 2008. In 2010, an impact fee study was performed, and it was determined that fees increases were not warranted. In the summer of 2023, a new impact fee study was performed, and it was determined that due to increasing inflation and the costs associated with obtaining water rights, the water impact fees need to be increased. Wastewater impact fees are to remain the same, but may be increased at a later date, contingent upon the San Antonio Water System's need to increase fees for wastewater treatment for new development.

Impact fees may only be used for improvements to the water and wastewater system that are directly related to new development. They cannot be used to maintain or replace existing systems and may not be charged to existing customers, unless the customer has a change in use that would require an increase in water and/or wastewater treatment usage.

Approval of the Ordinance will allow the city to recover capital costs associated with acquiring water rights and the eventual replacement of the Marshall Elevated Water Storage Tank with a larger storage tank.

In addition to increasing the water impact fees, the Code of Ordinances would be revised to place the regulations regarding impact fees under Chapter 14 Utilities, leaving only the fee portion in Appendix A Schedule of Fees. This action will assist in making the Code

more uniform. Impact fees are to be re-evaluated every 5 years by the Planning and Zoning Commission.

FISCAL IMPACT

Water impact fees are used to offset the costs of obtaining water rights.

RECOMMENDATION

At their April 23, 2024, meeting, the Planning and Zoning Commission recommended approval of the increase in water impact fees.

APPROVED: _____ DISAPPROVED: _____

APPROVED WITH THE FOLLOWING AMENDMENTS:

ATTEST:

SAUNDRA PASSAILAIGUE, TRMC
City Secretary