AGENDA ITEM NO. 4

AGENDA ITEM SUMMARY FORM

MEETING DATE: October 13, 2026
PREPARED BY: Michael Burrell, Director
DEPARTMENT: Development Services

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on Water and Wastewater Impact Fees.

BACKGROUND/SUMMARY:

Based on the water and sewer project lists, which have estimated project costs, the Advisory Committee should evaluate the estimated water and sewer impact fees. Additionally, water and sewer tap fees should be evaluated, and the combined amounts can be compared to area cities for reference.

At the September 29 CIF AC meeting, the Committee reviewed three-year and five-year impact fee phasing schedules. The Committee was more supportive of the five-year phasing schedule, so that exhibit was updated and is included in the backup.

Under state law, a credit equal to 50% of the total projected costs is applied as the maximum fee per service unit. This means if the estimated project costs result in an impact fee of $4,000, the maximum assessable amount is $2,000. To be able to assess a higher fee, the city would need a plan for awarding a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvement plans. This financial plan would require a third-party financial consultant to evaluate projected revenues. In lieu of this plan, the city has always provided the 50% credit.

The proposed water impact fee is $9,953.00/LUE
The proposed sewer impact fee is $13,525.50/LUE

LEGAL REVIEW: No
FISCAL IMPACT: No
FORM 1295 FILED: Not Applicable
PRESENTATION: No
ATTACHMENTS: Yes

- Five-year phasing schedule
- Fee comparison chart
- Water projects
- Water Impact Fee calculation
- Sewer projects
- Sewer Impact Fee Calculation

STAFF RECOMMENDATION:

The city staff recommends that the Community Impact Fee Advisory Committee discuss and approve water and wastewater impact fees.

Community Impact Fee Advisory Committee: **Recommend Approval** **Disapproval** **None**