

Water and Wastewater Impact Fees Update



Council Work Session
September 24, 2013





Impact Fee Background

- Austin impact fees apply only to water and wastewater infrastructure
- Collections average approximately \$6.0 million annually
 - As a policy, Austin's collected fees have been significantly less than the calculated maximum allowable
 - Growth investments not recaptured through impact fees are made up through rates
 - Impact fees are waived for affordable housing projects
 - Impact fees can be waived through Council action for any specific project
- State Law Requirements
 - Impact fees need to be updated every 5 years (last update in 2007).
 - Requires review by Impact Fee Advisory Committee (IFAC)
 - Prescribes the process for calculating the Maximum Allowable Impact Fee (MAIF)



Maximum Allowable Impact Fee (MAIF)

- Identify growth related Capital Improvement Plan projects
- Determine Capacity to be used in 10 year planning horizon and its cost
- Account for revenues associated from the rates paid by new users:
 - Method 1: Generalized 50% across the board revenue credit
 - Method 2: Plan specific calculation to determine revenue credit
 - Past updates used Method 1, but Utility recommends Method 2 for this update:
 - ~36% rate revenue credit for Water
 - ~35% rate revenue credit for Wastewater
 - The lower the revenue credit the higher the impact fee
- Divide adjusted cost by the number of 10-year growth service units = MAIF
 - Water MAIF increases from \$3,307 per Service Unit (SU) to \$5,415 per SU
 - Wastewater MAIF increases from \$1,852 per SU to \$2,284 per SU
- MAIF calculations reviewed and approved by IFAC



Current (2007 Update) Collected Fees

Water	\$ per Service Unit	% of Maximum Allowable Fee
Maximum Allowable Fee	\$3,307	100%
Collected fee:		
DWPZ - Outside ETJ Fee	\$2,500	75%
DWPZ - ETJ Fee	\$2,500	75%
DWPZ - Inside City Fee	\$2,200	65%
DDZ - ETJ Fee	\$1,800	55%
DDZ - Inside City Fee	\$1,000	30%
DDZ - Urban Watersheds Fee	\$800	25%
DDZ - CURE	\$700	20%

Wastewater	\$ per Service Unit	% of Maximum Allowable Fee
Maximum Allowable Fee	\$1,852	100%
Collected fee:		
DWPZ - Outside ETJ Fee	\$1,400	75%
DWPZ - ETJ Fee	\$1,400	75%
DWPZ - Inside City Fee	\$1,200	65%
DDZ - ETJ Fee	\$1,000	55%
DDZ - Inside City Fee	\$600	30%
DDZ - Urban Watersheds Fee	\$500	25%
DDZ - CURE	\$400	20%

- Long standing Council policy to discount fees below maximum with special emphasis on lower fees in the Desired Development Zone (DDZ) and urban core.
- Key Policy Question – How much, if any, to continue discounting practice?



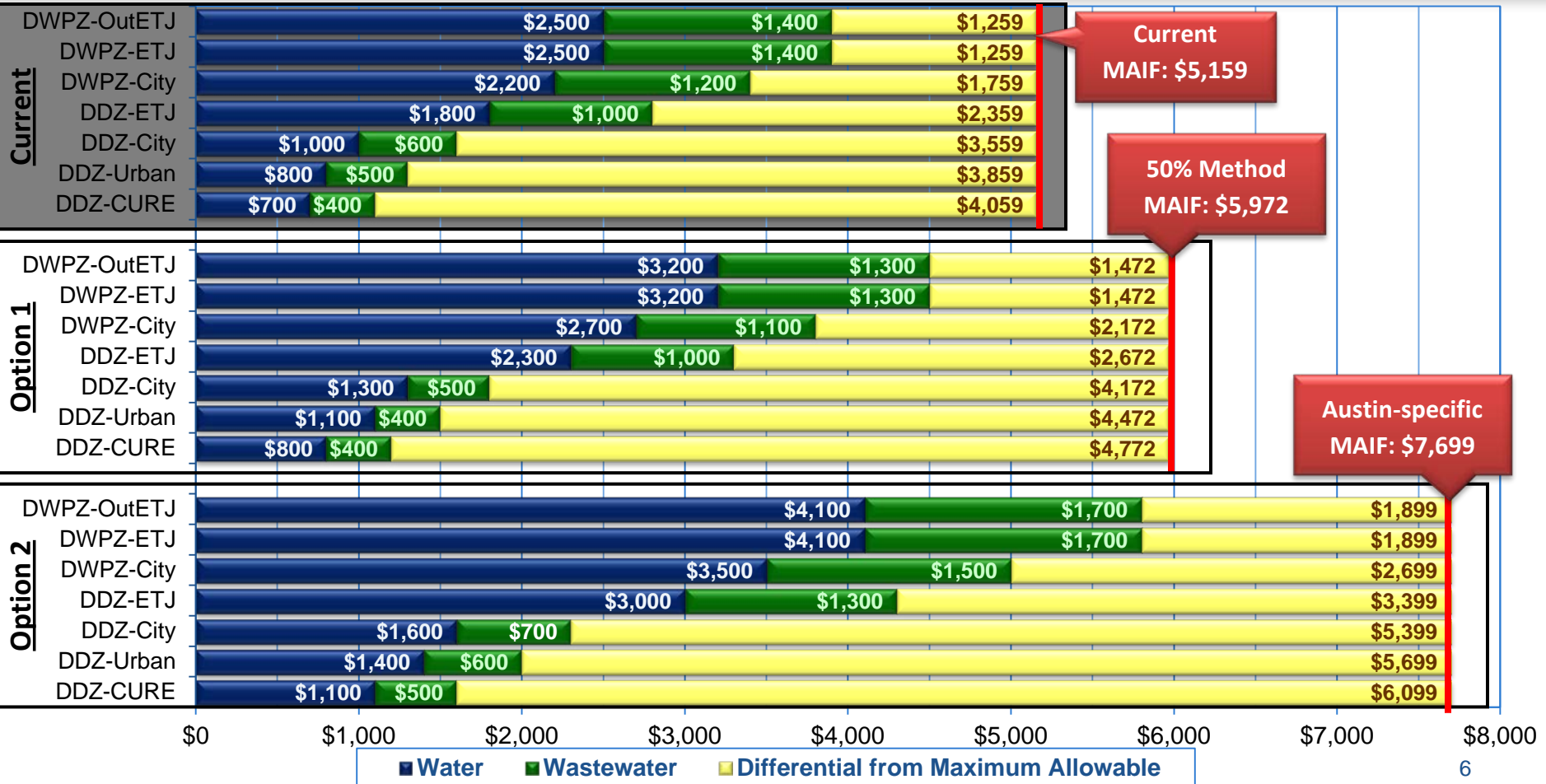
Discounting Options

- Options 1 & 2:
 - Retain the 7 development discount zones
 - Provide the lowest fee increases
 - Only difference is rate revenue credit calculation
- Options 3A, 3B, 3C & 3Ci:
 - Eliminate the 7 discount zones in favor of a uniform fee across the entire service area
 - Letter designations indicate a varying reduction from the Maximum Allowable Fee (MAIF) calculation:
 - 3A captures 75% of the MAIF
 - 3B captures 80% of the MAIF
 - 3C captures 85% of the MAIF
 - The “i” in 3Ci represents a discount of 50% MAIF for Image Austin targeted growth corridors and centers
- Options 4 & 4i:
 - Eliminate the 7 discount zones in favor of using 2 discount zones:
 - 85% of the MAIF in the DWPZ
 - 60% of the MAIF in the DDZ
 - The “i” in 4i represents a discount of 50% MAIF for Image Austin targeted growth corridors and centers
- Option 5:
 - Eliminate the 7 discount zones in favor of a uniform fee across the entire service area, set at the maximum allowable
 - Maximizes impact fee revenue collection associated with new growth

**Reference page ACF-11 for chart of Options*

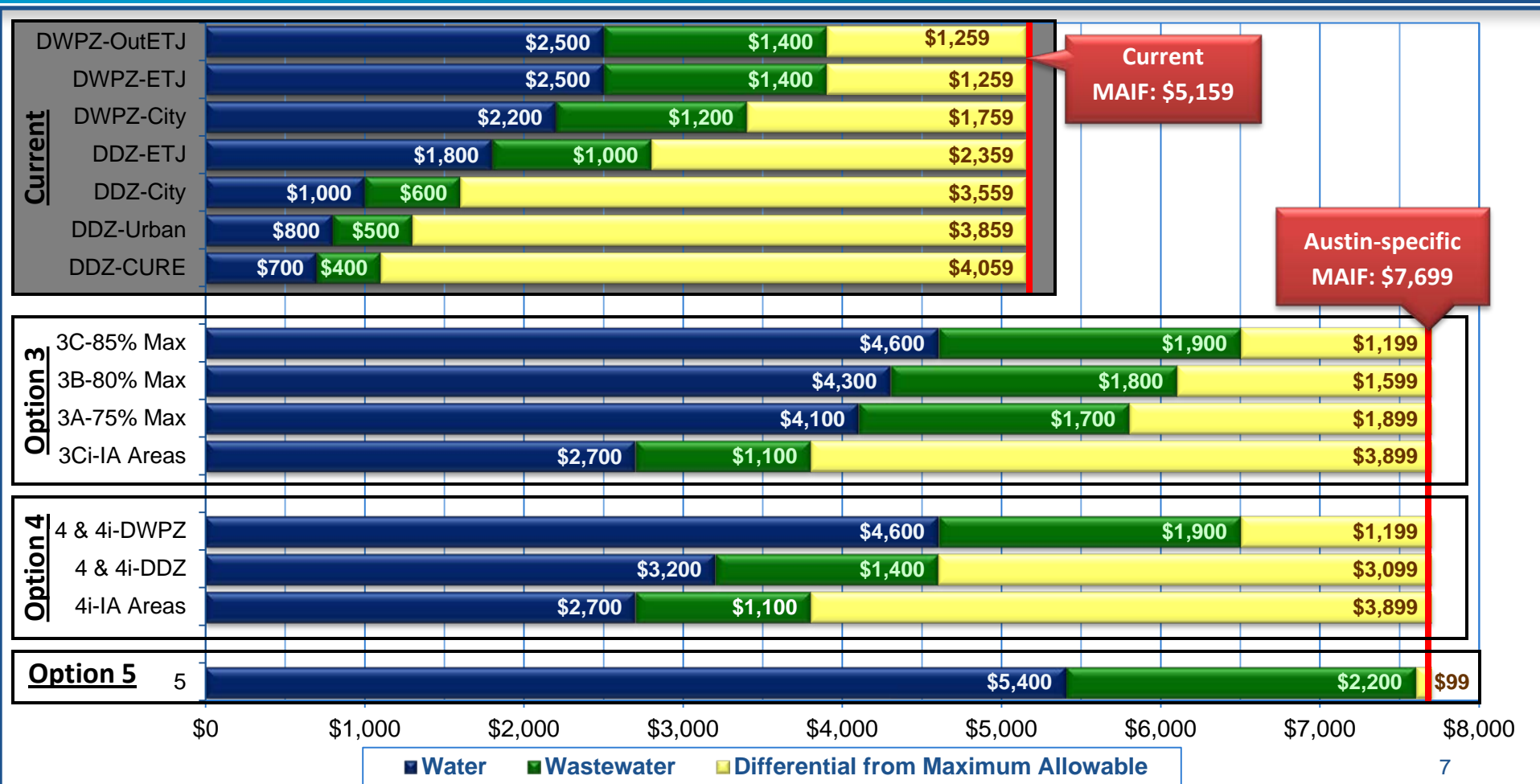


Current compared to Options 1 & 2



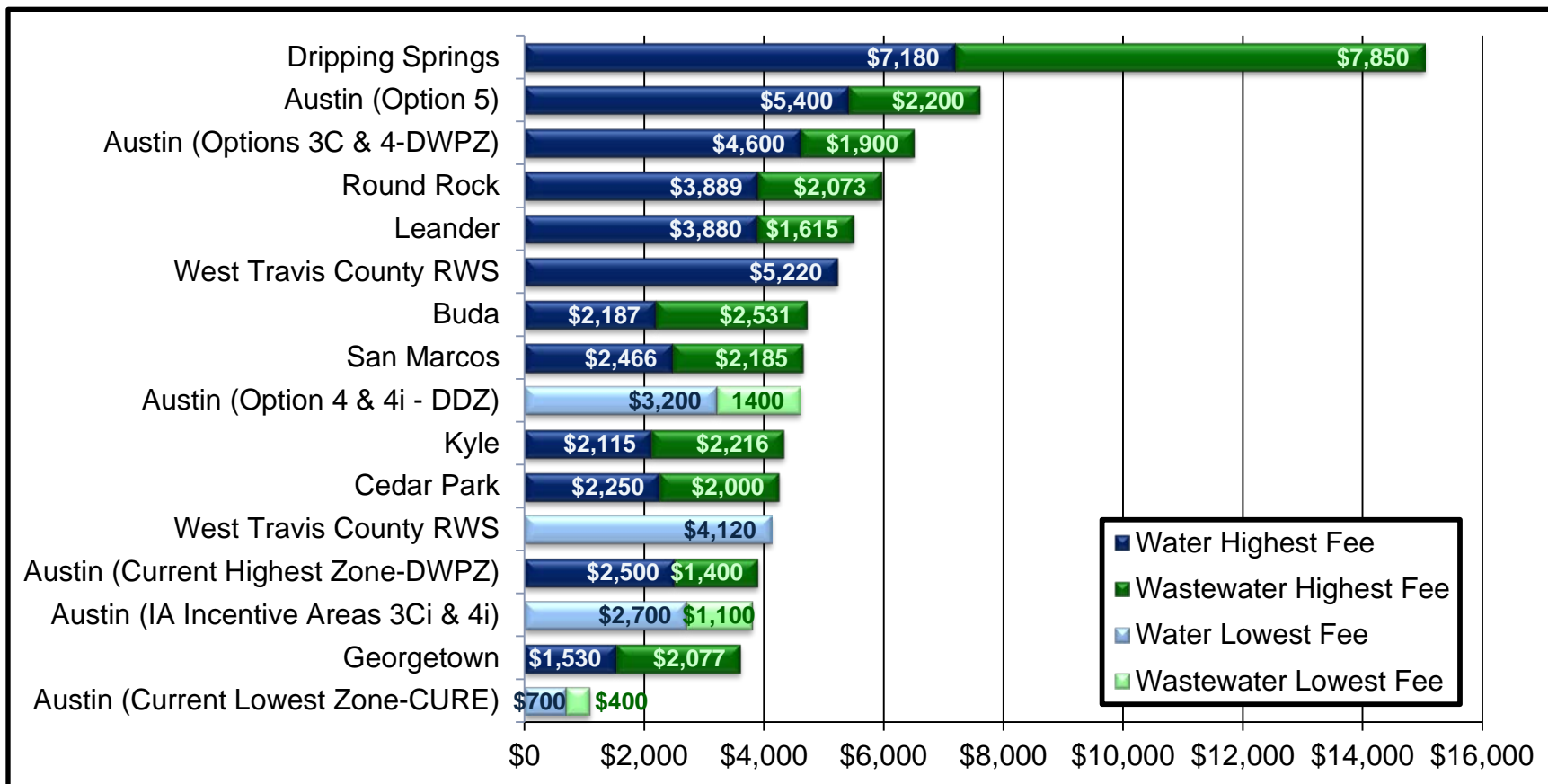


Current compared to Options 3, 4 & 5





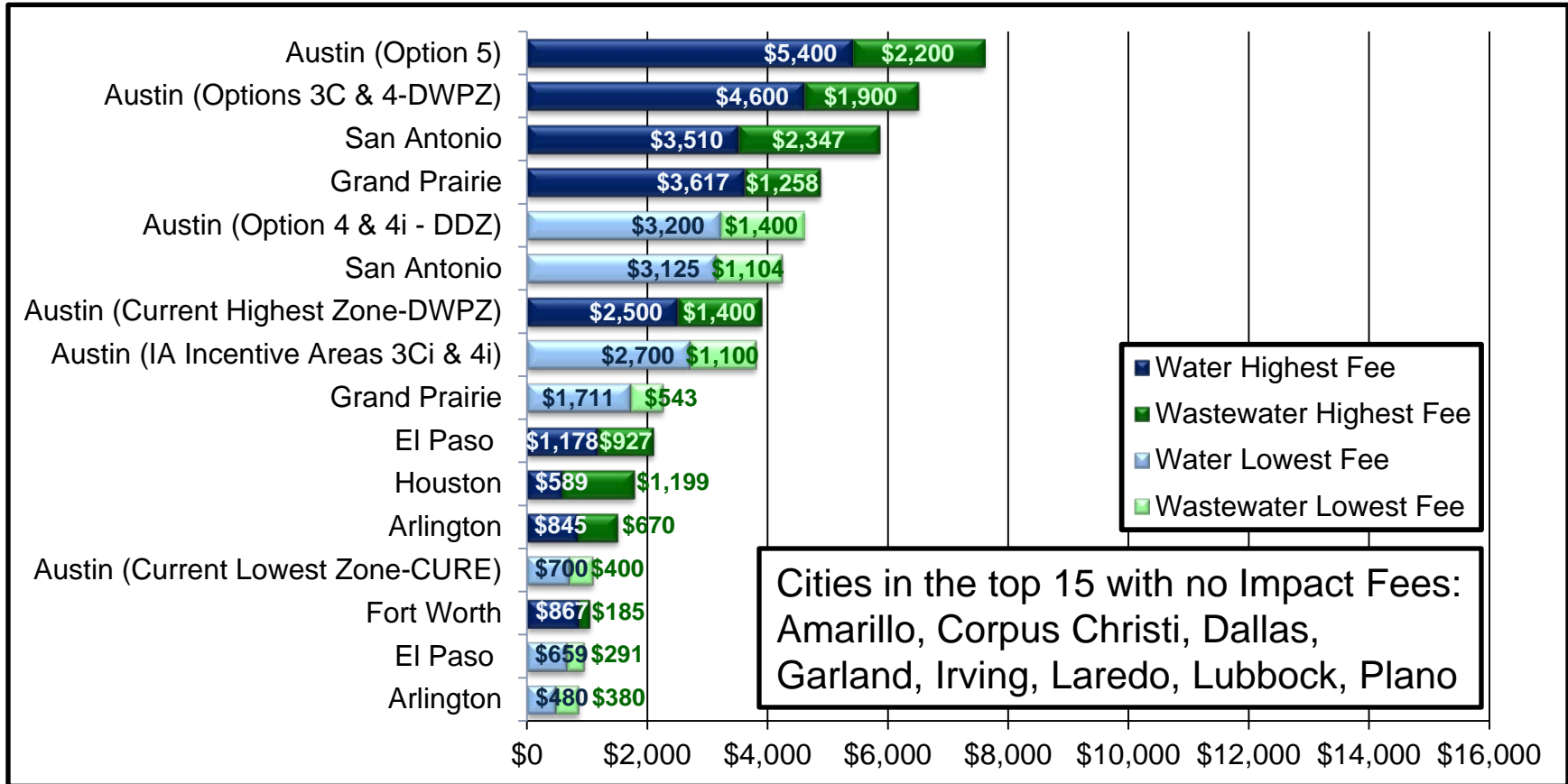
Water & Wastewater Impact Fees Comparison Central Texas Cities





Water & Wastewater Impact Fees Comparison

Top 15 Texas Cities by Population





Projected Revenue Comparison

<i>Values in Millions of \$</i>	Projected 10-Year Revenue (1)	Increase to Current Projected	Cost of Reductions from Option 5
Current	\$106.8 M		175.3
Option 1	114.1	7.3	167.9
Option 2	134.3	27.6	147.7
Option 3Ci	179.2	72.5	102.8
Option 4i (average)	187.4	80.6	94.6
Option 4	198.8	92.1	83.2
Option 3A	224.0	117.3	58.0
Option 3B	233.2	126.4	48.8
Option 3C	245.4	138.6	36.7
Option 5	282.0	175.3	0

(1) Includes phasing and waivers. Does not include adjustments.

Note: Collected fee amounts are rounded to the nearest \$100. Current impact fee rates are for lots platted on or after October 1, 2007.



Stakeholder and Public Involvement

- State Law required Impact Fee Advisory Committee (IFAC) Meetings
- Joint Committee on Austin Water Utility's Financial Plan
- Water and Wastewater Commission
- Created impact fee website with option for submitting questions/comments
- Hosted a Community Input Meeting Specifically for Impact Meetings
- Presented options to various internal and external stakeholders:
 - Planning and Development Review
 - Neighborhood Housing
 - Home Builders Association (HBA)
 - Real Estate Council of Austin (RECA)
 - Downtown Austin Alliance (DAA)
 - Austin Area Chamber of Commerce
- Included impact fee material at 2 public budget open house meetings





Stakeholder Input

- Conflicted stakeholder interests a natural part of this type of process
- General recognition that impact fees will be increasing significantly
- Joint Financial Committee Recommendation
 - Item 3.1: Adopt an impact fee policy that calculates the maximum impact fee allowed by law. Consider the elimination of the current zone discount policy that has the effect of subsidizing infrastructure for new development.
- Preserving the pricing differential between the DDZ and DWPZ was valued by some while others believed it is no longer needed
- Strengthen linkage between Imagine Austin plan and impact fees
- Keep impact fees competitive with other local jurisdictions in DDZ areas
 - Development stakeholders concerned with cumulative effect of increased fees, regulations, time/effort to develop within Austin versus suburban communities
 - Value of investment in Austin (less sprawl, less congestion)



Option 4i Recommendation

Option 4i: Combined Water & WW Fees			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit		<div>  or  </div>			
	Current Impact Fees		Collected Fees: DWPZ 85%, DDZ 60%, and IA Incentive Areas 50% of max allow.		Most Areas Compared to Current Fees:		Imagine Austin Incentive Areas	
Water + WW	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$5,159	100%	\$7,699	100%	\$2,540	49%	\$2,540	49%
	Collected fee:		Collected fee:					
DWPZ - Outside ETJ Fee	\$3,900	75%	DWPZ	DWPZ	\$2,600	67%	N/A	N/A
DWPZ - ETJ Fee	\$3,900	75%	Areas:	Areas:	\$2,600	67%	N/A	N/A
DWPZ - Inside City Fee	\$3,400	65%	\$6,500	85%	\$3,100	91%	N/A	N/A
DDZ - ETJ Fee	\$2,800	55%	DDZ	DDZ	\$1,800	64%	\$1,000	36%
DDZ - Inside City Fee	\$1,600	30%	Areas:	Areas:	\$3,000	188%	\$2,200	138%
DDZ - Urban Watersheds Fee	\$1,300	25%	\$4,600	60%	\$3,300	254%	\$2,500	192%
DDZ - CURE	\$1,100	20%	IAAs: \$3,800	50%	N/A	N/A	\$2,700	245%

- Increases impact fee revenues by \$80.6M (76%) over a 10-year period
- Preserves a meaningful pricing differential between the DWPZ and the DDZ
- Keeps Austin's impact fees competitive with other local jurisdictions in DDZ
- Creates a linkage with Imagine Austin priority areas and corridors
- Provides a platform for evaluating future impact fee discount modifications
- Reduces risk of legislative involvement
- Does not increase revenue volatility as much as higher fee Options



Boards & Commissions Action

- WWW Commission
 - Approved Impact Fee update LUA, CIP and MAIF calculation
 - Voted against Collected Fee Option 4i recommendation in favor of Option 5 (eliminate all discount zones and maximize fee collection)
 - Provided resolution for Council consideration
- IFAC meeting next week to finalize review and has indicated similar advocacy in previous meetings



Next Steps

- IFAC Review, Approval and Possible Resolution
 - IFAC meeting scheduled for Monday, September 30 at 6pm
- City Council - Thursday, October 17
 - Impact Fees Public Hearing and public discussion
 - Approve Impact Fee LUA and CIP Reports and Assessed Fees
 - Set Collected Fees and Approve Budget Amendment
- January 1, 2014 – New fees go into effect

Questions / Comments / Info



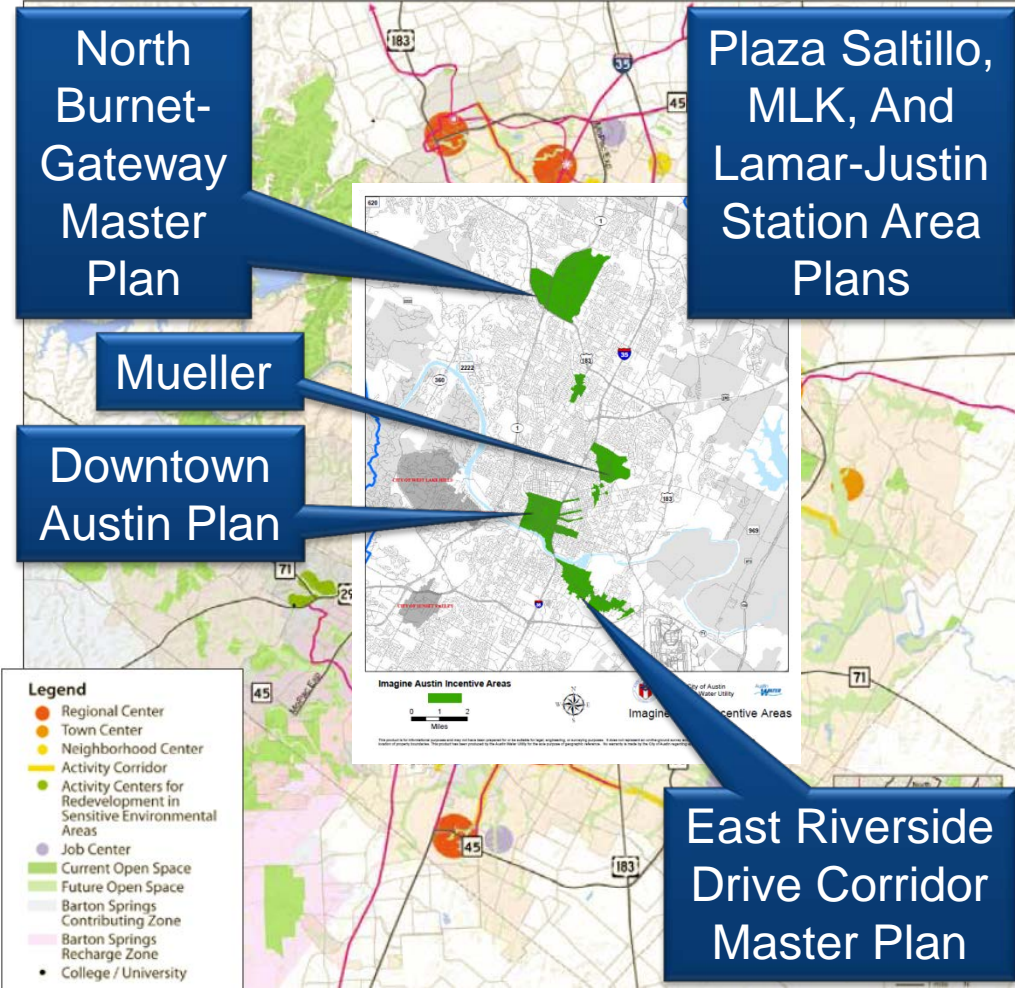
Backup Slides

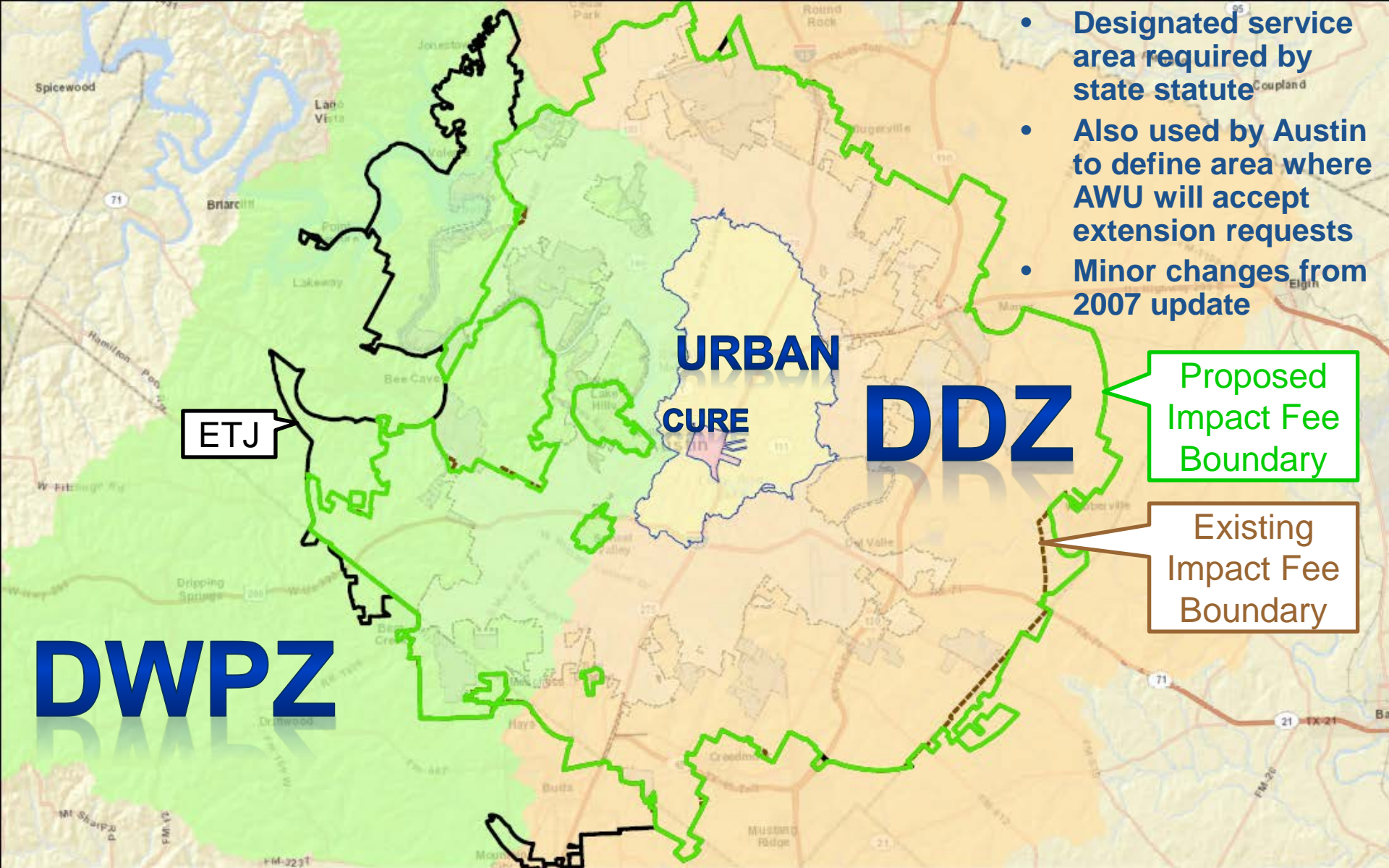




Coordinated Effort with PDRD

- Evolution of Planning for Growth
 - From Zones to Centers & Corridors
- Consider Imagine Austin Policies and Actions Incentivizing Development within Target Areas
 - Areas with existing small-area plans intended to promote denser, mixed use development, such as Downtown, East Riverside corridor, station-area plans, and North Burnet/Gateway.
 - Much less area than previous Zones
- Requires Defined Geographic Areas
 - Map to be maintained by PDRD
 - All Small Area Plans will be in DDZ





- Designated service area required by state statute
- Also used by Austin to define area where AWU will accept extension requests
- Minor changes from 2007 update

ETJ

URBAN
CURE

DDZ

Proposed
Impact Fee
Boundary

Existing
Impact Fee
Boundary

DWPZ



Current Impact Fees and Options Presented in September

15% Risk
Management
Reduction

			OPTION 1: Water:				OPTION 2: Water:				OPTION 3C: Uniform 85% Water:			
			Max Allow. Calc. Method: 50% Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fee: current zone structure		Compared to Current Fees:		Collected Fee: current zone structure		Compared to Current Fees:		Collected Fees: uniform 85% of max allow., no zone reductions		Compared to Current Fees:	
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase/ (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase/ (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase/ (\$ Decrease)	% Change
Maximum Allowable Fee Amount	\$3,307	100%	\$4,205	100%	\$898	27%	\$5,415	100%	\$2,108	64%	\$5,415	100%	\$2,108	64%
	Collected fee:		Collected fee:				Collected fee:				Collected fee:			
DWPZ - Outside ETJ Fee	\$2,500	75%	\$3,200	75%	\$700	28%	\$4,100	75%	\$1,600	64%	All Areas: \$4,600	All Areas: 85%	\$2,100	84%
DWPZ - ETJ Fee	\$2,500	75%	\$3,200	75%	\$700	28%	\$4,100	75%	\$1,600	64%			\$2,100	84%
DWPZ - Inside City Fee	\$2,200	65%	\$2,700	65%	\$500	23%	\$3,500	65%	\$1,300	59%			\$2,400	109%
DDZ - ETJ Fee	\$1,800	55%	\$2,300	55%	\$500	28%	\$3,000	55%	\$1,200	67%			\$2,800	156%
DDZ - Inside City Fee	\$1,000	30%	\$1,300	30%	\$300	30%	\$1,600	30%	\$600	60%			\$3,600	360%
DDZ - Urban Watersheds Fee	\$800	25%	\$1,100	25%	\$300	38%	\$1,400	25%	\$600	75%			\$3,800	475%
DDZ - CURE	\$700	20%	\$800	20%	\$100	14%	\$1,100	20%	\$400				\$3,900	557%

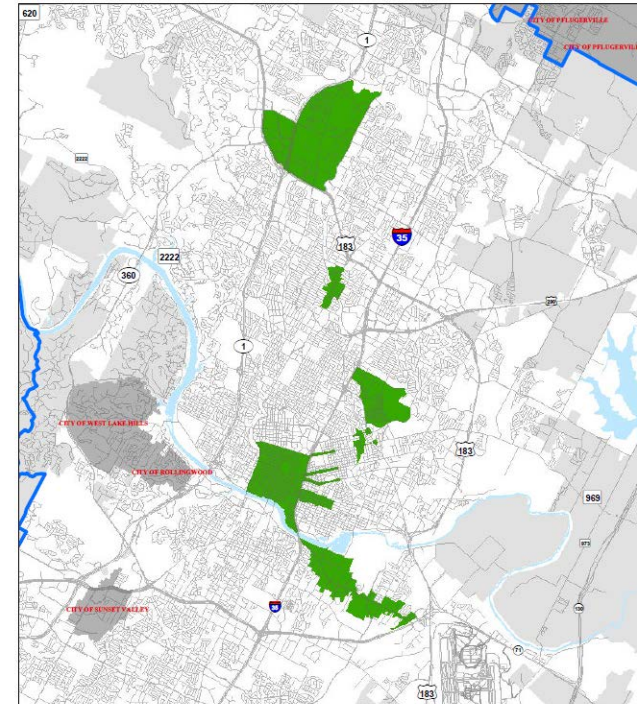
Elimination of Zone Incentives: Joint Committee Recommendation & a Major Policy Change

			Max Allow. Calc. Method: 50% Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fees: current zone structure		Compared to Current Fees:		Collected Fees: current zone structure		Compared to Current Fees:		Collected Fees: uniform 85% of max allow., no zone reductions		Compared to Current Fees:	
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase/ (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase/ (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase/ (\$ Decrease)	% Change
Maximum Allowable Fee Amount	\$1,852	100%	\$1,767	100%	-\$85	-5%	\$2,284	100%	\$432	23%	\$2,284	100%	\$432	23%
	Collected fee:		Collected fee:				Collected fee:				Collected fee:			
DWPZ - Outside ETJ Fee	\$1,400	75%	\$1,300	75%	-\$100	-7%	\$1,700	75%	\$300	21%	All Areas: \$1,900	All Areas: 85%	\$500	36%
DWPZ - ETJ Fee	\$1,400	75%	\$1,300	75%	-\$100	-7%	\$1,700	75%	\$300	21%			\$500	36%
DWPZ - Inside City Fee	\$1,200	65%	\$1,100	65%	-\$100	-8%	\$1,500	65%	\$300	25%			\$700	58%
DDZ - ETJ Fee	\$1,000	55%	\$1,000	55%	\$0	0%	\$1,300	55%	\$300	30%			\$900	90%
DDZ - Inside City Fee	\$600	30%	\$500	30%	-\$100	-17%	\$700	30%	\$100	17%			\$1,300	217%
DDZ - Urban Watersheds Fee	\$500	25%	\$400	25%	-\$100	-20%	\$600	25%	\$100	20%			\$1,400	280%
DDZ - CURE	\$400	20%	\$400	20%	\$0	0%	\$500	20%	\$100	25%			\$1,500	375%



Collected Fee Option 3Ci

OPTION 3Ci: 85% with Imagine Austin (IA) Incentive Water:									
Current Impact Fees			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit		or		Imagine Austin Incentive Areas		
			Collected Fees: most areas 85% of max allow., and 50% of max allow. in IA Incentive areas.				Collected Fees: most areas 85% of max allow., and 50% of max allow. in IA Incentive areas.		
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	Most Areas Compared to Current Fees:	% Change	Imagine Austin Incentive Areas Compared to Current Fees:	% Change	
Maximum Allowable Fee	\$3,307	100%	\$5,415	100%	\$2,108	64%	\$2,108	64%	
Collected fee:			Collected fee:						
DWPZ - Outside ETJ Fee	\$2,500	75%			\$2,100	84%	N/A	N/A	
DWPZ - ETJ Fee	\$2,500	75%	Most Areas:	Most Areas:	\$2,100	84%	N/A	N/A	
DWPZ - Inside City Fee	\$2,200	65%	\$4,600	85%	\$2,400	109%	N/A	N/A	
DDZ - ETJ Fee	\$1,800	55%	IA Incentive	IA Incentive	\$2,800	156%	\$900	50%	
DDZ - Inside City Fee	\$1,000	30%	Areas:	Areas:	\$3,600	360%	\$1,700	170%	
DDZ - Urban Watersheds Fee	\$800	25%	\$2,700	50%	\$3,800	475%	\$1,900	238%	
DDZ - CURE	\$700	20%			N/A	N/A	\$2,000	286%	
Wastewater:									
Current Impact Fees			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit		or		Imagine Austin Incentive Areas		
			Collected Fees: most areas 85% of max allow., and 50% of max allow. in IA Incentive areas.				Collected Fees: most areas 85% of max allow., and 50% of max allow. in IA Incentive areas.		
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	Most Areas Compared to Current Fees:	% Change	Imagine Austin Incentive Areas Compared to Current Fees:	% Change	
Maximum Allowable Fee	\$1,852	100%	\$2,284	100%	\$432	23%	\$432	23%	
Collected fee:			Collected fee:						
DWPZ - Outside ETJ Fee	\$1,400	75%			\$500	36%	N/A	N/A	
DWPZ - ETJ Fee	\$1,400	75%	Most Areas:	Most Areas:	\$500	36%	N/A	N/A	
DWPZ - Inside City Fee	\$1,200	65%	\$1,900	85%	\$700	58%	N/A	N/A	
DDZ - ETJ Fee	\$1,000	55%	IA Incentive	IA Incentive	\$900	90%	\$100	10%	
DDZ - Inside City Fee	\$600	30%	Areas:	Areas:	\$1,300	217%	\$500	83%	
DDZ - Urban Watersheds Fee	\$500	25%	\$1,100	50%	\$1,400	280%	\$600	120%	
DDZ - CURE	\$400	20%			N/A	N/A	\$700	175%	



Imagine Austin Incentive Areas

0 1 2
Miles



City of Austin
Austin Water Utility
Imagine Austin Incentive Areas

2/15/2013

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Collected Fee Options 4 & 4i

OPTION 4:

Water:

Max Allow. Calc. Method:
Austin-Specific Rate Rev. Credit

Collected Fees: DWPZ 85%,
and DDZ 60% of max allow.

Compared to Current Fees:

	Current Impact Fees				
	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease) % Change
Water					
Maximum Allowable Fee	\$3,307	100%	\$5,415	100%	\$2,108 64%
Collected fee:			Collected fee:		
DWPZ - Outside ETJ Fee	\$2,500	75%	DWPZ	DWPZ	\$2,100 84%
DWPZ - ETJ Fee	\$2,500	75%	Areas:	Areas:	\$2,100 84%
DWPZ - Inside City Fee	\$2,200	65%	\$4,600	85%	\$2,400 109%
DDZ - ETJ Fee	\$1,800	55%	DDZ	DDZ	\$1,400 78%
DDZ - Inside City Fee	\$1,000	30%	Areas:	Areas:	\$2,200 220%
DDZ - Urban Watersheds Fee	\$800	25%	\$3,200	60%	\$2,400 300%
DDZ - CURE	\$700	20%			\$2,500 357%

Wastewater:

Max Allow. Calc. Method:
Austin-Specific Rate Rev. Credit

Collected Fees: DWPZ 85%,
and DDZ 60% of max allow.

Compared to Current Fees:

	Current Impact Fees				
	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease) % Change
Wastewater					
Maximum Allowable Fee	\$1,852	100%	\$2,284	100%	\$432 23%
Collected fee:			Collected fee:		
DWPZ - Outside ETJ Fee	\$1,400	75%	DWPZ	DWPZ	\$500 36%
DWPZ - ETJ Fee	\$1,400	75%	Areas:	Areas:	\$500 36%
DWPZ - Inside City Fee	\$1,200	65%	\$1,900	85%	\$700 58%
DDZ - ETJ Fee	\$1,000	55%	DDZ	DDZ	\$400 40%
DDZ - Inside City Fee	\$600	30%	Areas:	Areas:	\$800 133%
DDZ - Urban Watersheds Fee	\$500	25%	\$1,400	60%	\$900 180%
DDZ - CURE	\$400	20%			\$1,000 250%

OPTION 4i: Imagine Austin (IA) Incentive

Water:

Max Allow. Calc. Method:
Austin-Specific Rate Rev. Credit

Collected Fees: DWPZ 85%,
DDZ 60%, and IA Incentive Areas
50% of max allow.

Most Areas
Compared to Current Fees:

Imagine Austin Incentive Areas
Compared to Current Fees:

	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease) % Change	% Change	\$ Increase / (\$ Decrease) % Change
Water					
Maximum Allowable Fee	\$5,415	100%	\$2,108 64%		\$2,108 64%
Collected fee:			Collected fee:		
DWPZ	DWPZ	\$2,100 84%			N/A N/A
Areas:	Areas:	\$2,100 84%			N/A N/A
\$4,600 85%		\$2,400 109%			N/A N/A
DDZ	DDZ	\$1,400 78%			\$900 50%
Areas:	Areas:	\$2,200 220%			\$1,700 170%
\$3,200 60%		\$2,400 300%			\$1,900 238%
IAs: \$2,700 50%		N/A N/A			\$2,000 286%

Wastewater:

Max Allow. Calc. Method:
Austin-Specific Rate Rev. Credit

Collected Fees: DWPZ 85%,
DDZ 60%, and IA Incentive Areas
50% of max allow.

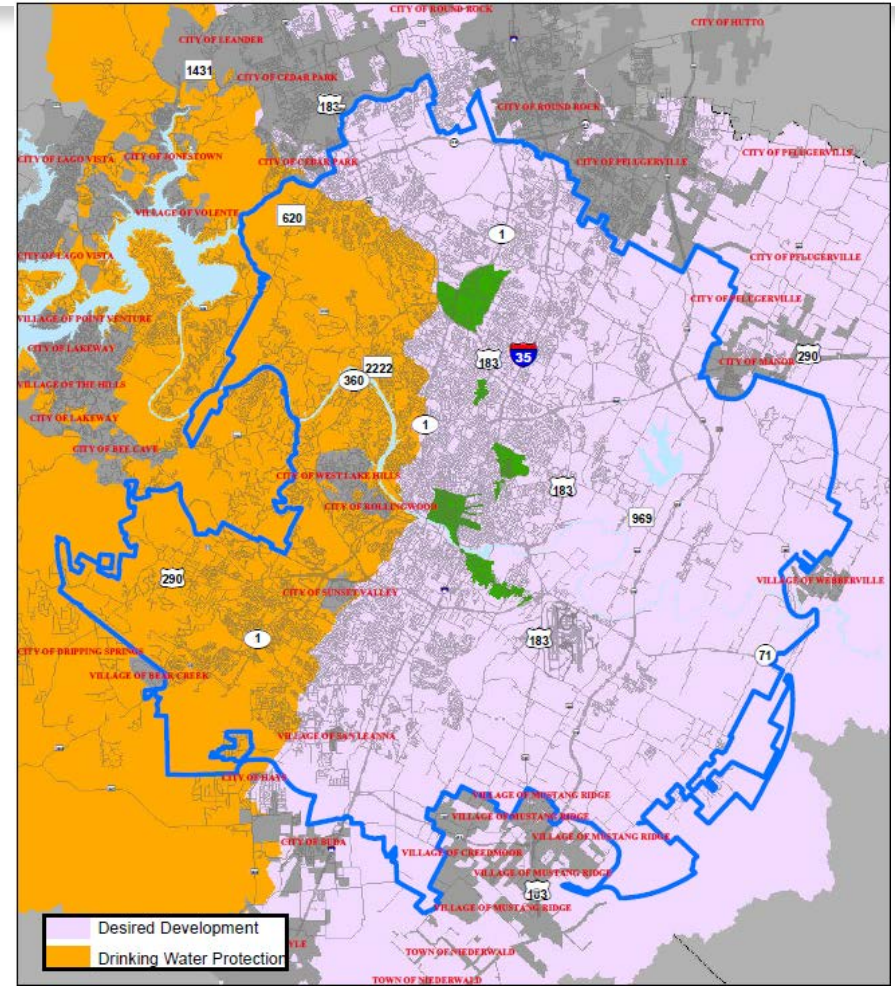
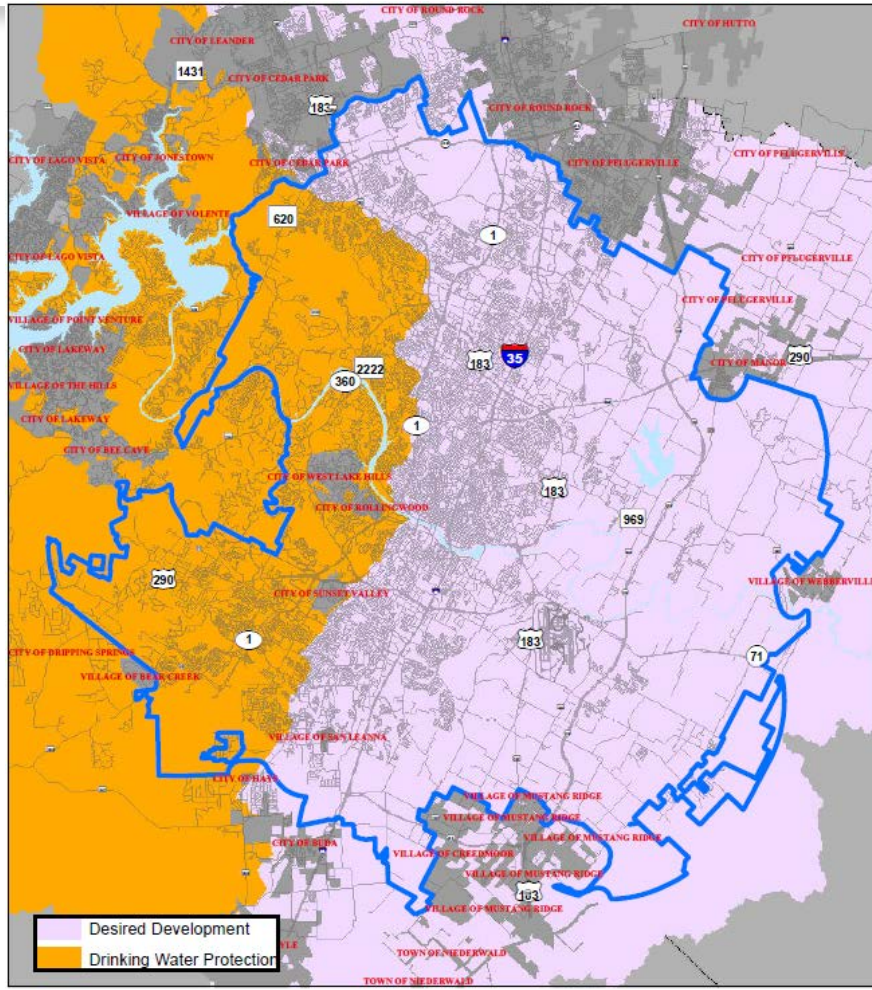
Most Areas
Compared to Current Fees:

Imagine Austin Incentive Areas
Compared to Current Fees:

	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease) % Change	% Change	\$ Increase / (\$ Decrease) % Change
Wastewater					
Maximum Allowable Fee	\$2,284	100%	\$432 23%		\$432 23%
Collected fee:			Collected fee:		
DWPZ	DWPZ	\$500 36%			N/A N/A
Areas:	Areas:	\$500 36%			N/A N/A
\$1,900 85%		\$700 58%			N/A N/A
DDZ	DDZ	\$400 40%			\$100 10%
Areas:	Areas:	\$800 133%			\$500 83%
\$1,400 60%		\$900 180%			\$600 120%
IAs: \$1,100 50%		N/A N/A			\$700 175%



Collected Fee Options 4 & 4i





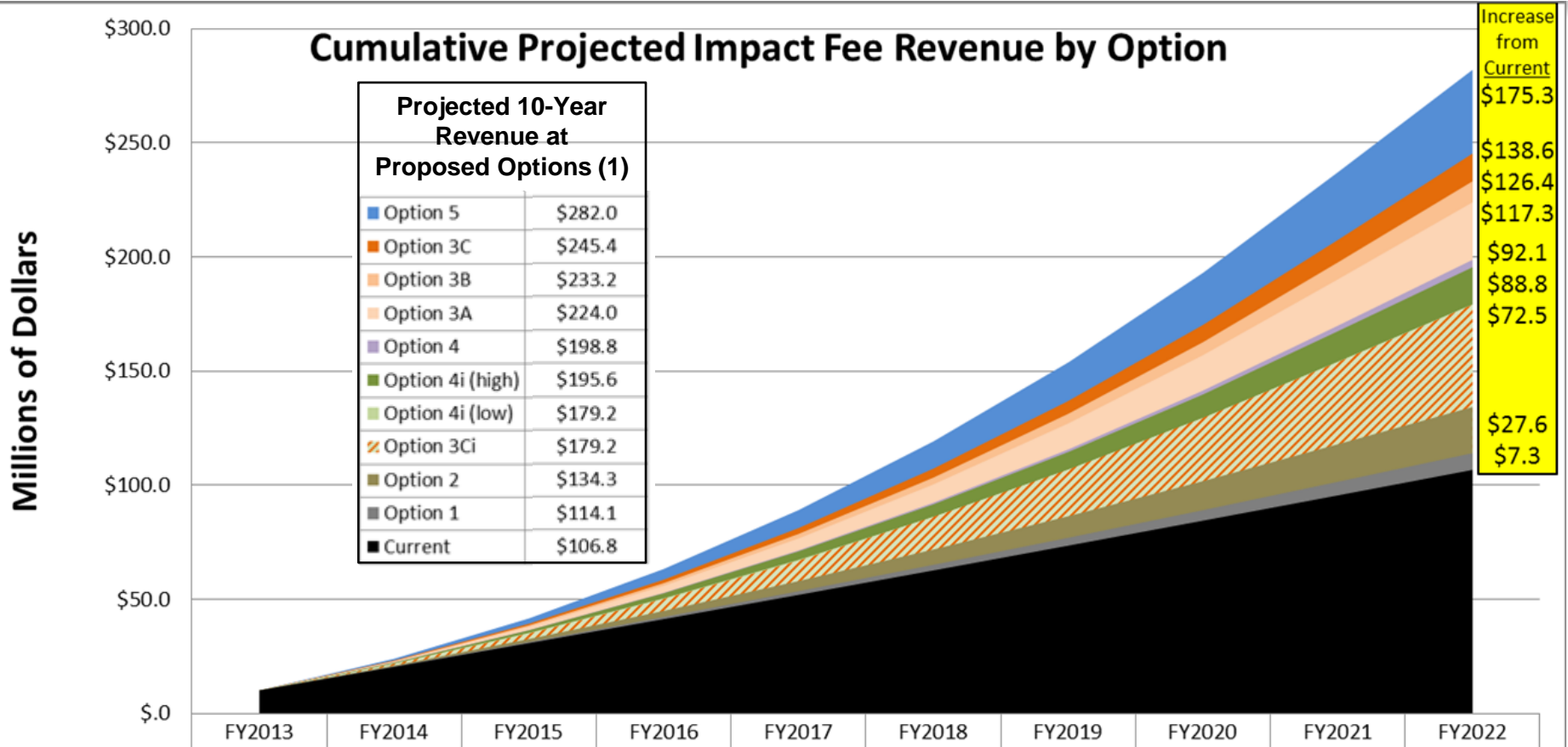
Collected Fee Option 5

			Water:			
			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fees: Round down from max allow. to nearest \$100		Compared to Current Fees:	
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$3,307	100%	\$5,415	100%	\$2,108	64%
Collected fee:			Collected fee:			
DWPZ - Outside ETJ Fee	\$2,500	75%			\$2,900	116%
DWPZ - ETJ Fee	\$2,500	75%			\$2,900	116%
DWPZ - Inside City Fee	\$2,200	65%	All Areas:	All Areas:	\$3,200	145%
DDZ - ETJ Fee	\$1,800	55%	\$5,400	100%	\$3,600	200%
DDZ - Inside City Fee	\$1,000	30%			\$4,400	440%
DDZ - Urban Watersheds Fee	\$800	25%			\$4,600	575%
DDZ - CURE	\$700	20%			\$4,700	671%
			Wastewater:			
			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fees: Round down from max allow. to nearest \$100		Compared to Current Fees:	
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$1,852	100%	\$2,284	100%	\$432	23%
Collected fee:			Collected fee:			
DWPZ - Outside ETJ Fee	\$1,400	75%			\$800	57%
DWPZ - ETJ Fee	\$1,400	75%			\$800	57%
DWPZ - Inside City Fee	\$1,200	65%	All Areas:	All Areas:	\$1,000	83%
DDZ - ETJ Fee	\$1,000	55%	\$2,200	100%	\$1,200	120%
DDZ - Inside City Fee	\$600	30%			\$1,600	267%
DDZ - Urban Watersheds Fee	\$500	25%			\$1,700	340%
DDZ - CURE	\$400	20%			\$1,800	450%

- Requested by the Water and WW Commission Budget Committee
- Maximizes growth paying for itself
- Eliminates long standing risk reduction factor



Impact Fee Revenue Analysis



(1) Includes phasing and waivers. Does not include adjustments.



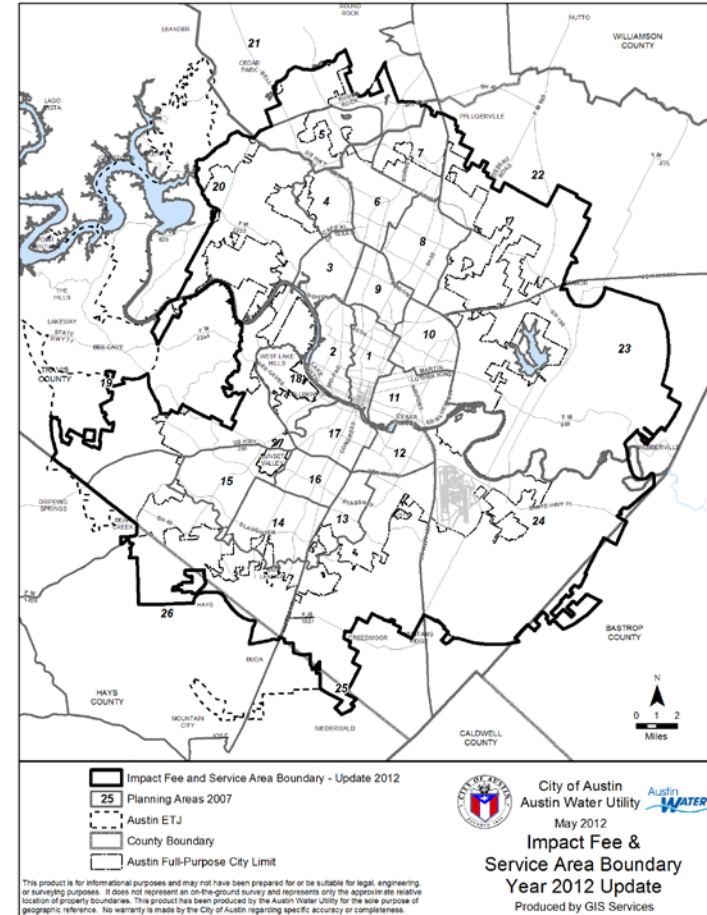
Impact Fee Capital Improvements Plan & Fee Calculation Method

- Identify new growth projects (Impact Fee CIP Plan vs. 5-year CIP Plan)...
 - ...only projects “necessitated by and attributable to new development”
- Determine capacity to be used in 10-yr planning horizon and its cost
- Account for contribution of revenues from new users toward paying for growth facilities through rates
 - This 5-year update includes an Austin-specific rate revenue credit
 - ~36% for Water and ~35% for Wastewater
 - Previous updates have used a 50% across the board credit
- Divide adjusted cost (calculated actual cost of growth) by the number of 10-year growth service units = maximum allowable impact fee (MAIF)
 - Water MAIF (preliminary draft subject to change):
 - increases from \$3,307 per Service Unit (SU) to \$5,415 per SU (64% increase)
 - Wastewater MAIF (preliminary draft subject to change):
 - increases from \$1,852 per SU to \$2,284 per SU (23% increase)



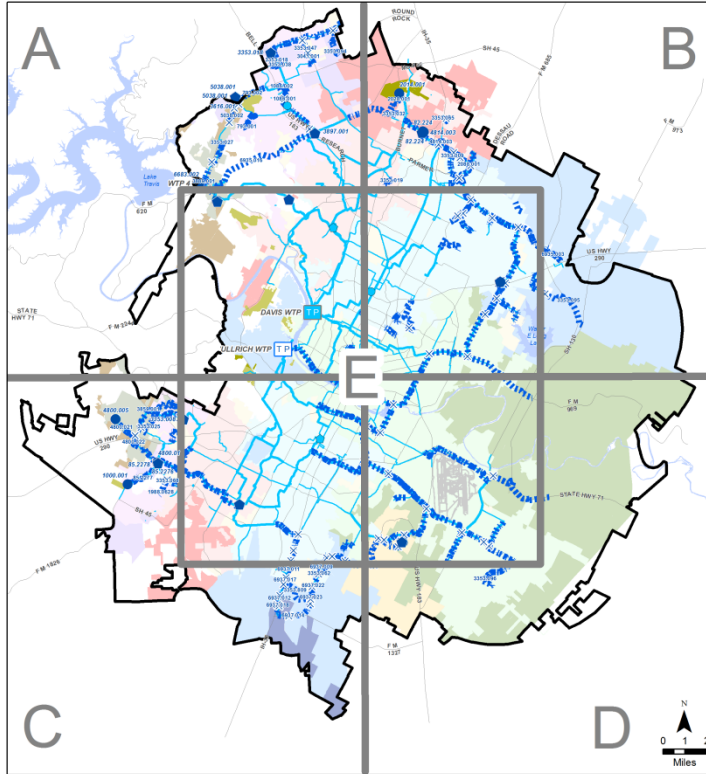
Land Use Assumptions

- Population and employment served in 2010 and 2020 allocated to Planning Areas, Water Pressure Zones and Wastewater Basins
- Convert water meters to Service Units (flow) based on weather normalized 2010 total water usage
- Population and employment growth converted to service units for determining facility usage





Impact Fee CIP



- 2012 Impact Fee Boundary Update
- Existing Treatment Plant
- Existing Reservoir
- Existing Pump Station
- Existing Water Pipes 24\"/>

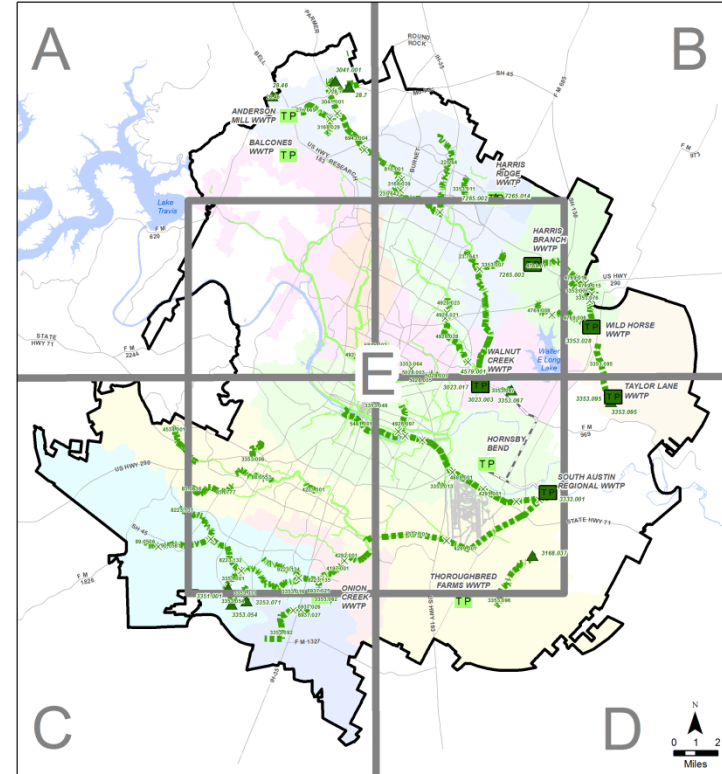


City of Austin
Austin Water Utility
July 2012

Impact Fee CIP Major Water Facilities

Produced by GIS Services

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- CIP Lift Station or Pump
- CIP Tunnel Shaft
- CIP WW Treatment Plant
- CIP Wastewater Pipes
- Project Separator
- Existing City WWTP
- Existing Wastewater Pipes 24\"/>



City of Austin
Austin Water Utility
July 2012

Impact Fee CIP Major Wastewater Facilities

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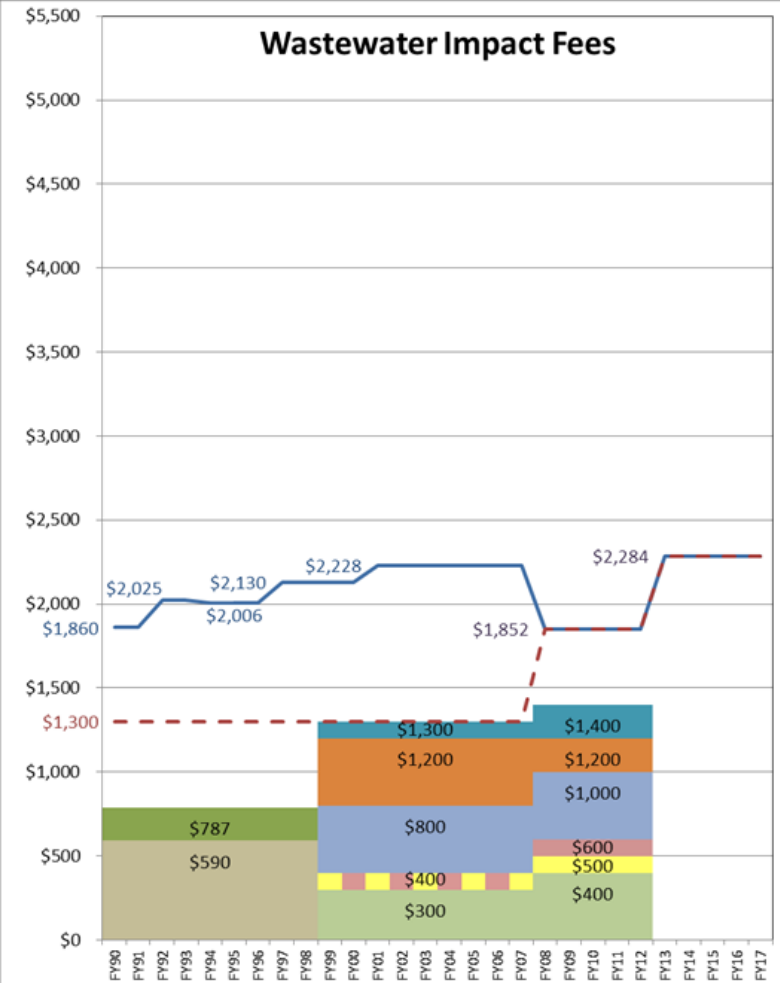
Collected Fee Options 1 & 2

			OPTION 1:				OPTION 2:			
			Water:				Water:			
			Max Allow. Calc. Method: 50% Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fee: current zone structure		Compared to Current Fees:		Collected Fee: current zone structure		Compared to Current Fees:	
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$3,307	100%	\$4,205	100%	\$898	27%	\$5,415	100%	\$2,108	64%
Collected fee:			Collected fee:				Collected fee:			
DWPZ - Outside ETJ Fee	\$2,500	75%	\$3,200	75%	\$700	28%	\$4,100	75%	\$1,600	64%
DWPZ - ETJ Fee	\$2,500	75%	\$3,200	75%	\$700	28%	\$4,100	75%	\$1,600	64%
DWPZ - Inside City Fee	\$2,200	65%	\$2,700	65%	\$500	23%	\$3,500	65%	\$1,300	59%
DDZ - ETJ Fee	\$1,800	55%	\$2,300	55%	\$500	28%	\$3,000	55%	\$1,200	67%
DDZ - Inside City Fee	\$1,000	30%	\$1,300	30%	\$300	30%	\$1,600	30%	\$600	60%
DDZ - Urban Watersheds Fee	\$800	25%	\$1,100	25%	\$300	38%	\$1,400	25%	\$600	75%
DDZ - CURE	\$700	20%	\$800	20%	\$100	14%	\$1,100	20%	\$400	57%
			Wastewater:				Wastewater:			
			Max Allow. Calc. Method: 50% Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fees: current zone structure		Compared to Current Fees:		Collected Fees: current zone structure		Compared to Current Fees:	
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$1,852	100%	\$1,767	100%	(\$85)	-5%	\$2,284	100%	\$432	23%
Collected fee:			Collected fee:				Collected fee:			
DWPZ - Outside ETJ Fee	\$1,400	75%	\$1,300	75%	(\$100)	-7%	\$1,700	75%	\$300	21%
DWPZ - ETJ Fee	\$1,400	75%	\$1,300	75%	(\$100)	-7%	\$1,700	75%	\$300	21%
DWPZ - Inside City Fee	\$1,200	65%	\$1,100	65%	(\$100)	-8%	\$1,500	65%	\$300	25%
DDZ - ETJ Fee	\$1,000	55%	\$1,000	55%	\$0	0%	\$1,300	55%	\$300	30%
DDZ - Inside City Fee	\$600	30%	\$500	30%	(\$100)	-17%	\$700	30%	\$100	17%
DDZ - Urban Watersheds Fee	\$500	25%	\$400	25%	(\$100)	-20%	\$600	25%	\$100	20%
DDZ - CURE	\$400	20%	\$400	20%	\$0	0%	\$500	20%	\$100	25%



Options 3A, 3B and 3C

			OPTION 3A: Uniform 75%				OPTION 3B: Uniform 80%				OPTION 3C: Uniform 85%			
			Water:				Water:				Water:			
			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fees: uniform 75% of max allow., no zone reductions				Collected Fees: uniform 80% of max allow., no zone reductions				Collected Fees: uniform 85% of max allow., no zone reductions			
					Compared to Current Fees:				Compared to Current Fees:				Compared to Current Fees:	
Water	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$3,307	100%	\$5,415	100%	\$2,108	64%	\$5,415	100%	\$2,108	64%	\$5,415	100%	\$2,108	64%
	Collected fee:		Collected fee:				Collected fee:				Collected fee:			
DWPZ - Outside ETJ Fee	\$2,500	75%			\$1,600	64%			\$1,800	72%			\$2,100	84%
DWPZ - ETJ Fee	\$2,500	75%			\$1,600	64%			\$1,800	72%			\$2,100	84%
DWPZ - Inside City Fee	\$2,200	65%	All Areas:	All Areas:	\$1,900	86%	All Areas:	All Areas:	\$2,100	95%	All Areas:	All Areas:	\$2,400	109%
DDZ - ETJ Fee	\$1,800	55%	\$4,100	75%	\$2,300	128%	\$4,300	80%	\$2,500	139%	\$4,600	85%	\$2,800	156%
DDZ - Inside City Fee	\$1,000	30%			\$3,100	310%			\$3,300	330%			\$3,600	360%
DDZ - Urban Watersheds Fee	\$800	25%			\$3,300	413%			\$3,500	438%			\$3,800	475%
DDZ - CURE	\$700	20%			\$3,400	486%			\$3,600	514%			\$3,900	557%
			Wastewater:				Wastewater:				Wastewater:			
			Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit				Max Allow. Calc. Method: Austin-Specific Rate Rev. Credit			
Current Impact Fees			Collected Fees: uniform 75% of max allow., no zone reductions				Collected Fees: uniform 80% of max allow., no zone reductions				Collected Fees: uniform 85% of max allow., no zone reductions			
					Compared to Current Fees:				Compared to Current Fees:				Compared to Current Fees:	
Wastewater	\$ per Service Unit	% of Maximum Allowable Fee	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change	\$ per Service Unit	% of Maximum Allowable Fee	\$ Increase / (\$ Decrease)	% Change
Maximum Allowable Fee	\$1,852	100%	\$2,284	100%	\$432	23%	\$2,284	100%	\$432	23%	\$2,284	100%	\$432	23%
	Collected fee:		Collected fee:				Collected fee:				Collected fee:			
DWPZ - Outside ETJ Fee	\$1,400	75%			\$300	21%			\$400	29%			\$500	36%
DWPZ - ETJ Fee	\$1,400	75%			\$300	21%			\$400	29%			\$500	36%
DWPZ - Inside City Fee	\$1,200	65%	All Areas:	All Areas:	\$500	42%	All Areas:	All Areas:	\$600	50%	All Areas:	All Areas:	\$700	58%
DDZ - ETJ Fee	\$1,000	55%	\$1,700	75%	\$700	70%	\$1,800	80%	\$800	80%	\$1,900	85%	\$900	90%
DDZ - Inside City Fee	\$600	30%			\$1,100	183%			\$1,200	200%			\$1,300	217%
DDZ - Urban Watersheds Fee	\$500	25%			\$1,200	240%			\$1,300	260%			\$1,400	280%
DDZ - CURE	\$400	20%			\$1,300	325%			\$1,400	350%			\$1,500	375%





Current Fee Collection Summary

