

Financing the Cost of New Development

March 27, 2014

Greater Edwards Aquifer Alliance

At the San Antonio Water System Board meeting of March 4th, the SAWS Board was briefed on the 2014 to 2023 Land Use Assumptions Plan. This plan includes recommendations for impact fees to fund additional water supplies. The SAWS staff recommended a one time impact fee made by new development at the time of connection that would adequately fund the cost of securing new water supplies needed to serve an anticipated 95,817 new households at the rate of \$2,796/new house.

San Antonio has historically charged the maximum calculated impact fee, as allowed under State Law. State law does not allow recovery of the full cost of new development from the impact fees. Even if the rates are set the highest allowed by state law, current residents and ratepayers subsidize the infrastructure required for new development. The SAWS Staff briefing noted that "Ratepayers already pay the majority of overall costs for new water supplies".

Development interests serving on the SAWS Capital Improvements Advisory Committee (who were a majority on the Committee) opposed the staff recommendation, preferring impact fees of \$1,590/new house. They based their recommendation on the assumption that all San Antonians benefit from growth, so all should share in the cost.

Accepting the developers' recommendation will require a 2.57% rate increase for all SAWS ratepayers. Since many of these new developments will likely be on the Edwards Aquifer Recharge, Transition, and Contributing zones, GEAA objects to requiring all citizens of San Antonio to subsidize new development. GEAA strongly supports the SAWS staff recommendations.

GEAA is urging San Antonio members to contact [Mayor Castro](#), [SAWS Board Chairman Berto Guerra](#), and their [SAWS Board representatives](#) to let them know that we support the SAWS staff recommendation for Water Supply Impact Fees that equitably put the cost of new water supplies where it belongs - on new development.

The City of Austin recently voted to join San Antonio in charging the maximum impact fees allowed under State law after it was shown that the surrounding communities of Pflugerville, Round Rock, Hutto, and others were charging at or near the legal maximum impact fees for new water supplies - well above what Austin was charging. It was also shown that the difference was many tens of millions of dollars over the next ten years. It is hard to argue that this will "hurt development" when all these other cities were charging the much higher rates and they are growing like crazy.

With growth projected to skyrocket in the Hill Country, GEAA will keep working to make sure that the costs of growth are distributed equitably. Thanks for your help!