



Impact Fee Workshop

City Council August 18, 2026

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SCHERTZ
COMMUNITY • SERVICE • OPPORTUNITY

Impact Fees (aka Capital Recovery Fees)

Governed by Texas Local Government Code Chapter 395

- A charge on new development to recoup a portion of the cost of that development on City infrastructure
- Basis is **Land Use Assumptions** and **Capital Improvement Plans and Costs**
- **Maximum** Assessable Rates per Living Unit Equivalent (LUE for Water and Wastewater) or Development Unit (Roadway) are **Objective** Calculations
- **Actual** or Effective Impact Fee Rates to be Charged – **Discretionary** for Council

Water, Wastewater, and Roadway Impact Fees

- Water and Wastewater
 - Current Water and Wastewater Rates adopted April, 2025 (effective July 2025)
- Roadway
 - Current Roadway Rates adopted March 2018 (Service Areas and CIP updated in 2022 – no change to rates)
 - Roadway Impact Fee Update nearing completion
 - Public Outreach
 - Capital Improvement Advisory Committee to hear and provide findings to Council
 - Public Hearings, Discussion, and Action on updated rates to follow

Current Schertz Impact Fee Rates

	Maximum Assessable Rate	Actual Rate Charged
Water Impact Fee per LUE	\$8,814	\$8,814
Wastewater Impact Fee per LUE	\$5,556	\$5,556
Roadway Impact Fee per Development Unit Residential	\$1,647 (SA1)	\$1,000
	\$1,328 (SA2)	
	\$1,044 (SA3)	
	\$2,393 (SA4)	
Roadway Impact Fee per Development Unit Commercial	\$1,647 (SA1)	\$175
	\$1,328 (SA2)	
	\$1,044 (SA3)	
	\$2,393 (SA4)	

Why Impact Fees?

Impact Fees ensure that new development pays a share of the cost to expand the City's systems rather than existing customers fully funding the expansion by paying higher rates.

How are Impact Fees Calculated?

Cost of infrastructure needed to address expected growth during planning period (2020-2030) divided by the expected growth in LUEs (land use equivalents) equals maximum allowable impact fee per LUE of development.

How are Impact Fees Calculated?

Water:

Cost of infrastructure needed to address growth in planning period*	\$62,577,849
Expected growth in LUEs during planning period	÷ 7,100
Maximum Allowable Impact Fee per LUE of Development	= \$8,814

*Adjusted to reduce cost by revenue expected to be generated by new development

How are Impact Fees Calculated?

Wastewater:

Cost of infrastructure needed to address growth in planning period*	\$40,095,504
Expected growth in LUEs during planning period	÷ 7,217
Maximum Allowable Impact Fee per LUE of Development	= \$5,556

*Adjusted to reduce cost by revenue expected to be generated by new development

CALCULATED MAXIMUM ASSESSABLE FEES

Based on updated Land Use Assumptions and Capital Improvement Plans and costs as presented

Meter Size	Meter Type	Maximum Flow Rate for Continuous Duty (gpm)	Proposed LUE	Maximum Allowable Water Impact Fee	Maximum Allowable Wastewater Impact Fee
5/8"	MULTI-JET	15	1.0	\$ 8,814	\$ 5,556
3/4"	MULTI-JET	20	1.3	\$ 11,810	\$ 7,445
1"	MULTI-JET	30	2.0	\$ 17,627	\$ 11,112
2"	ULTRASONIC	250	16.7	\$ 146,924	\$ 92,615
3"	ULTRASONIC	500	33.3	\$ 293,848	\$ 85,231
4"	ULTRASONIC	1,000	66.7	\$ 587,607	\$ 370,406
6"	ULTRASONIC	1,600	106.7	\$ 940,154	\$ 592,639
8"	ULTRASONIC	2,800	186.7	\$ 1,645,248	\$ 1,037,104
10"	ULTRASONIC	5,500	366.7	\$ 3,231,708	\$ 2,037,150
12"	ULTRASONIC	5,500	366.7	\$ 3,231,708	\$ 2,037,150

LOCAL COMPARISON OF FEES

City/Utility	Water fee per LUE	Wastewater fee per LUE	Total
Cibolo (2021)	\$1,839	\$873	\$2,712
San Marcos (2018)	\$3,801	\$2,684	\$6,485
Boerne (2023)	\$2,509	\$5,120	\$7,629
Austin (2023)	\$4,800	\$2,900	\$7,700
SAWS (2024)	\$5,720	\$3,287	\$9,007
Schertz (2025)	\$8,814	\$5,556	\$14,370
Seguin (2023)	\$7,308	\$9,250	\$16,558
San Marcos (draft 2026 max)	\$14,519	\$11,161	\$25,680
NBU (2022)	\$19,448	\$6,244	\$25,692
Pflugerville (2023)	\$14,713	\$15,136	\$29,849

Typical Development Fee Comparisons

Single Family Home 5/8" Meter				
	LUE	Water	Wastewater	Total
Cibolo (2021)	1	\$1,839	\$873	\$2,712
San Marcos (2018)	1	\$3,801	\$2,684	\$6,485
Boerne (2023)	1	\$2,509	\$5,120	\$7,629
Austin (2023)	1	\$4,800	\$2,900	\$7,700
SAWS (2024)	1	\$5,720	\$3,287	\$9,007
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Pflugerville (2023)	1	\$14,713	\$15,136	\$29,849

Fast Food Restaurant 2" meter				
	LUE	Water	Wastewater	Total
Cibolo (2021)	10	\$18,390	\$8,730	\$27,120
San Marcos (2018)	8	\$30,408	\$21,472	\$51,880
Boerne (2023)	8	\$20,072	\$40,960	\$61,032
Austin (2023)	8	\$38,400	\$23,200	\$61,600
SAWS (2024)	14	\$80,080	\$46,018	\$126,098
Schertz (2025)	16.7	\$147,194	\$92,785	\$239,979
Seguin (2023)	10.7	\$78,196	\$98,975	\$177,171
San Marcos (draft 2026 max)	8	\$116,152	\$89,288	\$205,440
NBU (2022)	8	\$155,584	\$49,952	\$205,536
Pflugerville (2023)	6.7	\$98,577	\$101,411	\$199,988

Typical Development Fee Comparisons

9,000 sf Medical Office 1" meter				
	LUE	Water	Wastewater	Total
Cibolo (2021)	2.5	\$4,598	\$2,183	\$6,780
San Marcos (2018)	2.5	\$9,503	\$6,710	\$16,213
Boerne (2023)	2.5	\$6,273	\$12,800	\$19,073
Austin (2023)	2.5	\$12,000	\$7,250	\$19,250
SAWS (2024)	2	\$11,440	\$6,574	\$18,014
Schertz (2025)	2	\$17,628	\$11,112	\$28,740
Seguin (2023)	2.7	\$19,732	\$24,975	\$44,707
San Marcos (draft 2026 max)	2.5	\$36,298	\$27,903	\$64,200
NBU (2022)	2.5	\$48,620	\$15,610	\$64,230
Pflugerville (2023)	2.7	\$39,725	\$40,867	\$80,592

200,000 sf Warehouse 2" meter				
	LUE	Water	Wastewater	Total
Cibolo (2021)	10	\$18,390	\$8,730	\$27,120
San Marcos (2018)	8	\$30,408	\$21,472	\$51,880
Boerne (2023)	8	\$20,072	\$40,960	\$61,032
Austin (2023)	8	\$38,400	\$23,200	\$61,600
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Pflugerville (2023)	6.7	\$98,577	\$101,411	\$199,988

How much do we collect?

Water Impact Fees Collected April 2025 – March 2026

Residential	\$1,518,292
Commercial	\$445,858
Total	\$1,964,150

Wastewater Impact Fees Collected April 2025 – March 2026

Residential	\$969,116
Commercial	\$228,315
Total	\$1,197,431

Roadway Impact Fees Collected April 2025 – March 2026

Service Area 1	Residential	\$219,050
	Commercial	\$85,536
Service Area 2	Residential	\$6,740
	Commercial	\$120,195
Service Area 3	Residential	\$360,590
	Commercial	\$27,395
Service Area 4	Residential	\$53,920
	Commercial	\$0
Total Residential		\$640,300
Total Commercial		\$233,126
Total		\$873,426

Impact Fees – Moving Forward

- Council Budget Retreat – August 11
 - Updated Capital Improvement Program for FY 2026-27
 - Water projects at least partially funded with impact fees:
 - Schwab to Eckhardt 12” Main
 - Robin Hood Way Water Line Replacement
 - E. Live Oak to IH 35 Dedicated Transmission Main
 - Ware Seguin Pump Station Expansion
 - Sewer projects at least partially funded with impact fees:
 - Cibolo West Wastewater Trunk Main
 - Wiederstein Road 8” Gravity Line
 - Aranda 8” Gravity Line
 - Northcliffe Lift Station Upgrade
 - Town Creek Gravity Lines
 - Roadway
 - Old Wiederstein Road Widening and Extension
 - Live Oak Extension/Maske Road Reconstruction

Impact Fees – Moving Forward

- Roadway
 - Roadway Impact Fee Update nearing completion
 - Updated Master Thoroughfare Plan
 - Updated Land Use Assumptions
 - Updated Roadway Impact Fee Capital Improvement Plan and Costs
 - Public Outreach
 - Capital Improvement Advisory Committee to hear and provide findings to Council
 - Public Hearings, Discussion, and Action by Council

QUESTIONS AND DISCUSSION