

CITY OF HIGH POINT

AGENDA ITEM



Title: Resolution- Proposed System Development Fee

From: Terry Houk – Public Services Director
Derrick Boone – Asst. Public Services Director
Robby Stone - Asst. Public Services Director
Glenda Barnes – PS Senior Financial Analyst
Tom Beckett – PS Civil Engineer

Meeting Date: December 21, 2020

Public Hearing: Yes

Advertising Date: N/A

Advertised By: N/A

Attachments: Resolution

PURPOSE:

To consider implementation of a proposed system Development Fee for High Point's water and sewer system.

BACKGROUND:

Currently Public Services uses frontage fees and acreage fees as charges for developer to connect to our water and sewer systems. The System Development Fee (SDF) will replace this process and the SDF will be based on an Equivalent Residential Unit (ERU) for both water and sewer. Stantec Consulting made a presentation before the City Council during Special Meetings held on August 3, 2020 and December 7, 2020. Stantec is recommending using the combined method for calculating the proposed System Development Fee, which is based on the cost of the existing system and planned capital improvements. The revenues from the System Development Fee can only be used for expansion-related capital projects.

System Development Fees have become the standard for most of North Carolina and any revenue collected from SDF can only be used to pay for expansions. SDF has the developer pay for expansion of services and should help relieve the current water and sewer users from paying for new development and service. The SDF information was posted on the City's website and the required 45-day comment period commenced on September 11, 2020 and concluded October 27, 2020.

The required public hearing was held and public comments were received.

BUDGET IMPACT:

There should be no impact on the budget for FY 2020-21, depending on the effective date of the implementation of the proposed System Development Fee. However, in the future budget years, the amount of funds raised by the SDF, could ultimately have a direct impact on the monthly water and sewer rates paid by our citizens.

RECOMMENDATION / ACTION REQUESTED:

Resolution & Exhibit A have been modified to reflect the Finance Committee's recommendation.

**RESOLUTION AUTHORIZING THE HIGH POINT CITY COUNCIL TO ESTABLISH
AND ADOPT SYSTEM DEVELOPMENT FEES ASSESSED BY THE WATER AND
SEWER FUNDS ACCORDING TO THE PROVISIONS OF GS 162A, “NORTH
CAROLINA WATER AND SEWER AUTHORITIES ACT”**

WHEREAS, The City of High Point (“City”) is a local political subdivision of the State of North Carolina, established and regulated by Chapter 98 of the Public Local and Private Laws of 1941, as amended by Chapter 793 of the 1969 Session Laws of Chapter 594 of the 1985 Session Laws, and

WHEREAS, N.C.G.S. §160A-312 provides authority for cities to acquire, construct, establish, enlarge, improve, maintain, own and operate public enterprises to furnish services to the City and its citizens; and

WHEREAS, the City owns certain public service enterprise facilities comprising a sanitary sewer system and a water system within the corporate limits of the City; and

WHEREAS, Article 8 of Chapter 162A of the North Carolina General Statutes provides the authority for cities to establish and adopt system development fees for public water and sewer systems in North Carolina; and

WHEREAS, the City currently uses acreage and frontage fees to assess costs for new development connections within its corporate limits; and

WHEREAS, the City finds that establishing System Development Fees, which include water and sewer system development fees, charged to new development connections will provide a more effective calculation for costs to the City; and

WHEREAS, as part of the calculation and consideration of the adoption of System Development Fees, a professional written supporting analysis was conducted that calculated appropriate system development fee amounts; and

WHEREAS, the High Point City Council desires to establish and adopt System Development Fees for calculating fees charged for water and sewer connections in new development within the City.

NOW, THEREFORE, BE IT RESOLVED by the High Point City Council that System Development Fees set forth in the terms and conditions attached hereto as “**EXHIBIT A**”, are hereby established and adopted to become effective on January 3, 2022.

Adopted this the 15th day of February, 2021.

Jay W. Wagner, Mayor

ATTEST:

Lisa B. Vierling, City Clerk

Resulting System Development Fees

Meter size	Water SDF	Sewer SDF	Total
5/8" x 3/4"	\$419.00	\$1,076.50	\$1,495.50
1"	\$698.50	\$1794.00	\$2,492.50
1 1/2"	\$1,396.50	\$3,588.50	\$4,985.00
2"	\$2,234.50	\$5,741.50	\$7,976.00
3"	\$4,888.50	\$12,559.00	\$17,447.50
4"	\$8,380.00	\$21,530.00	\$29,910.00
6"	\$18,855.00	\$48,442.50	\$67,297.50
8"	\$22,345.50	\$57,409.50	\$79,755.00
10"	\$32,124.50	\$82,535.50	\$114,660.00
12"	\$60,055.50	\$154,294.50	\$214,350.00

A typical single-family home requires a 5/8" or 3/4" meter