



MEMORANDUM

To: Mayor and City Council

From: Kim Tiehen, Director of Strategic Financial Engagement

Date: December 12, 2023

Reference: Consider approval of a Resolution amending Resolution No. 010996.3 as amended, amending the Master Fee Schedule for Solid Waste Collection Fees per the contract with Republic, amending Chapter 12, Coppell City Code - Special Use permit, amending Chapter 13, Coppell City Code (Subdivision Regulations), and amending Chapter 3, Sections 3-1-15 and 3-2-4 Tapping City Water Mains and Tapping City Sewer Mains, respectively; and authorizing the Mayor to sign.

2040: Sustainable Government

Introduction:

The City maintains a Master Fee Schedule which is reviewed at least annually, and proposed changes are brought forward for City Council's approval. This year changes are to fees associated with:

- the Solid Waste contract with Republic,
- the Special Use Permit for Short-term Rentals,
- Engineering Inspections,
- Water and Sewer Tap Inspections

Background:

Solid Waste Contract with Republic:

The current Solid Waste contract with Republic provides for an annual adjustment of 3.0%. For the residential customer, rates will increase from \$18.77 per month to \$19.33. The senior rate will increase from \$16.89 per month to \$17.39. The commercial rates will reflect the same 3.0% increase. This increase is effective January 1, 2024.

Special Use Permit for Short-term Rentals (STR):

The Master Fee Schedule currently has a fee for Special Use Permits. The fee is \$500 plus \$25 per acre of land. Now that STRs are required to receive a Special Use Permit to operate, the Community Development staff recommends that the fee for Special Use Permits for Short-Term Rentals be broken

out into its own category. Staff also recommends providing a discount for any STR applicants that are 65+ years old.

Since Short-Term Rentals reside in single-family homes and very few in Coppell have the potential to be located on a lot greater than 1 acre in size, staff recommends charging a flat fee of \$500 for Special Use Permits for Short-Term Rentals. Staff also recommend a flat fee of \$250 for applicants that are aged 65 years or older. Senior applicants currently receive a 50% reduction in fee for the annual Short-Term Rental Permit, so this reduction is consistent with the current discount for seniors. Separating this fee out into its own category will prevent any confusion for applicants seeking a Special Use Permit.

Engineering Inspections:

Earlier this year, House Bill 3492 was approved by the state legislature. This bill requires that inspection fees related to development cost cannot be based on the value of the construction. Prior to this bill, the City's subdivision ordinance required developers to pay an inspection fee of 4% of the construction cost for public improvements dedicated to the City and 3% for private improvements not dedicated to the City. This was the cost for City inspectors to make sure that the developer was following the design plans and meeting the City's construction standards. The fees are now required to be based on an hourly rate for the time that it takes to review plans, provide the administrative services, and inspect the construction project. Below is the proposed fee schedule.

Engineering Review Fee: \$150/hour, with a minimum of 4 hours

This fee was determined by taking into consideration the following information:

Paving improvements: 1 hr/5,000 SF, calculated at \$0.03 per square foot
Drainage improvements: 1 hr/100 LF, calculated at \$1.50 per linear foot
Utility improvements: 1 hr/200 LF, calculated at \$0.75 per linear foot
Sidewalk improvements: 1 hr/2,000 SF, calculated at \$0.075 per square foot
Grading improvements: 1 hr/75,000 SF, calculated at \$0.002 per square foot
Utility Taps: Per table below
Public Infrastructure not listed: \$150/hour (estimated at time of submittal)
Additional reviews after three reviews: 20% of original review fee
Major plan revision: 50% of original review fee

Engineering Inspection Fee: \$120/hour, with a minimum of 4 hours

This fee was determined by taking into consideration the following information:

Paving improvements: 1 hr/1,000 SF, calculated at \$0.12 per square foot
Drainage improvements: 1 hr/100 LF, calculated at \$1.20 per linear foot
Utility improvements: 1 hr/100 LF, calculated at \$1.20 per linear foot
Sidewalk improvements: 1 hr/250 SF, calculated at \$0.48 per square foot
Grading improvements: 1 hr/20,000 SF, calculated at \$0.006 per square foot
Utility Taps: Per table below
Public Infrastructure not listed: \$120/hour (estimated at time of submittal)
Additional final walkthrough: 4 hours

Water and Sewer Tap Inspections:

The City currently charges \$50 per water tap and \$50 per sewer tap for the inspections. The new fee changes are shown in the table below and are based on the hourly rates shown above for Engineering inspections.

Sec. 3-1-15 Tapping City Water Mains

Water Service and Tap: Up to 2 Inches	2 hours, \$300.00	4 hours, \$480.00
Water Service and Tap: 3 to 6 Inches	3 hours, \$450.00	6 hours, \$720.00
Water Service and Tap: 8 Inches and Larger	4 hours, \$600.00	8 hours, \$960.00

Sec. 3-2-4, Tapping City Sewer Mains

Sewer Service and Tap	2 hours, \$300.00	4 hours, \$480.00
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Legal Review:

This agenda item was reviewed by the City Attorney during the normal review of the agenda packet. For the Engineering fees, the City Attorney reviewed the method used to calculate the fees based on a review of House Bill 3492.

Fiscal Impact:

Solid Waste Contract with Republic:

Staff anticipates a slight increase in the franchise fee collections.

Special Use Permit for Short-term Rentals:

No significant revenue impact.

Engineering Inspection Fee and Water and Sewer Tap Fees:

Staff anticipates a reduction in revenues as a result of changing the fee structure in compliance with HB 3492.

Recommendation:

The Strategic Financial Engagement, Community Development, and Public Works Departments recommend approval.