



MEMORANDUM

To: Mayor and City Council

From: Kumar Gali, P.E., Assistant Director of Public Works-Engineering
Kent Collins, P.E., Director of Public Works

Date: April 28, 2020

Reference: Consider approval of an Ordinance to amend the Land Use Assumptions and the Capital Improvements Plan for Water, Wastewater, and Roadway Facilities by amending the City of Coppell Code of Ordinances, Chapter 17, Impact fees, Article 17-2 Water Facilities Fees, Article 17-3 Sewer Facilities Fees, Article 17-4 Roadway Facilities Fees, Schedule 1 Maximum Fee Rate, and Schedule 2 Assessed Fee Rate; and authorizing the Mayor to sign.

General Information:

- The City collects roadway, water and wastewater impact fees to cover costs associated with infrastructure needed to serve future development
- According to Chapter 395 of the Texas Local Government Code, Cities must review their impact fees at least every five years
- In January of 2018 the City entered into an agreement with Birkhoff, Hendricks & Carter, LLP for System Planning and Impact Fee Update
- Birkhoff, Hendricks & Carter, L.L.P. has completed the System Planning and Impact Fee Update study
- Per Chapter 395 of the Texas Local Government Code, any amendments to the impact fee need to follow a schedule of required actions as listed below
- Public meetings were held with the CIAC (P&Z) to discuss the report and receive recommendations
- A public hearing was held on April 14, 2020 with the City Council.
- The final step in the process is for the Council to consider approval of an ordinance to amend the updates from the Impact Fee Study.

Introduction:

The City adopted water and wastewater impact fees in 1991 and roadway impact fees in 1995. The last amendments to the impact fees were adopted in 2012. Currently the City charges \$900.00 per service unit for water and wastewater impact fees and \$150.00 per service unit for roadway impact

fees. Per Chapter 395 of the Texas Local Government Code, Cities must review their impact fees at least every five years and need to follow the below amendment process.

1. Develop updated land use assumptions (LUA)
2. Perform capacity analysis to develop capital improvements plans (CIP)
3. Conduct Impact Fee analysis and calculations
4. Present amendments to LUA, CIP, and Impact Fees to Capital Improvements Advisory Committee (CIAC). The City's Planning and Zoning Commission serves as the CIAC as established by the City's Impact Fee Ordinance and allowed by statute.
5. Public hearing at the City Council meeting – held on April 14th, 2020
6. City Council to consider approval of ordinance to adopt amendments.
7. Staff to present fee resolution for adoption in a future City Council meeting.

This agenda item is step 6, approval of ordinance to adopt amendments from impact fee study and as recommended by the CIAC.

Analysis:

Birkhoff, Hendricks & Carter, L.L.P. in association with Lee Engineering, L.L.C. has completed the Water, Wastewater and Roadway 2018-2028 Impact Fee Update study and submitted a final report (attached with this memorandum) to the City on March 5th, 2020. The report included a number of key findings:

- land use assumptions for the 10-year period from 2018-2028 based upon the 2030 Comprehensive Plan;
- evaluation of existing water, wastewater and roadway facilities for any deficiencies to serve the future land use;
- identification of needed capital improvements to maintain the current level of service, and;
- calculated the maximum allowable impact fees.

To provide services to the future land use and maintain the current level of service, the City needs to continue assessing impact fees for the water, wastewater and roadway facilities. The updated impact fees from the study are, \$1,328.00 per service unit for water, \$446.00 per service unit for wastewater and \$178.00 per service unit for roadway. In practice, the water and wastewater fees are based on the size of the domestic water meter (scaled for larger meters). Roadway impact fees are based on the intensity (number of units, square feet, etc.) and use (office, retail, residential, etc.) of the development.

As part of the amendment process, staff and consultants met with the CIAC on February 20, 2020 and March 19, 2020 to review the findings from the study and seek a recommendation to City Council on the amended land use assumptions, capital improvement plans, and impact fees. After consideration and deliberation of the information, the CIAC recommended the following (memorandum attached):

1. Concurrence with the information presented in the land use assumptions for impact fees, the impact fee CIP, and resultant cost per service unit calculations.
2. Amend the impact fee base rates to the following:
 - a. Water: \$1,328.00 per service unit
 - b. Wastewater: \$446.00 per service unit

c. Roads: \$178.00 per service unit

On April 14, 2020 a public hearing was held to consider the amendment of the land use assumptions, CIP for water, wastewater and roadway, and to consider the imposition of impact fees. A presentation was made by the staff highlighting updates and recommendation from the CIAC. Staff did not receive questions or comments from the citizens at the public hearing.

Legal Review:

The Ordinance has been reviewed by the City Attorney. Staff also has consulted with the City Attorney throughout the impact fee update process.

Fiscal Impact:

There is no fiscal impact related to this item.

Recommendation:

The Public Works Department recommends approval of the Impact Fee Ordinance.