

City of Sachse, Texas
Impact Fee Advisory Committee
Minutes of the IFAC Meeting of September 24, 2012
Time: 7:10 p.m. Place: Sachse City Hall

Members Present:

Warren Becker
Scott Everett
Charles Ross
David Hock

Members Absent:

Stephen Curtis
Wally Sparks
Scott Williams

Staff Present:

Marc Kurbansade, Community Development Director
Charlotte Youngblood, Secretary

Others Present:

Don Wortham, Cobb, Fendley, & Associates

Vice-Chairman David Hock opened the meeting of the Impact Fee Advisory Committee at 7:10 p.m. and a quorum was declared.

1. Consider approval of the minutes from the August 13, 2012 Impact Fee Advisory Committee meeting.

Warren Becker made a motion to approve the minutes. Charles Ross seconded the motion. The motion passed with all voting in favor.

2. Consider and Act upon approval of written comments and direct a member of the committee to file written comments with the City Engineer no later than before the 5th business day before the date of the public hearing to be held by the City Council regarding the proposed updates and amendments to the Water, Sanitary Sewer, and Roadway Impact Fees.

Shawn Poe, City Engineer, introduced the item and did a PowerPoint presentation. Mr. Poe explained Section 395 of the State of Texas Local Government Code requires cities which assess impact fees to update the Land Use Assumptions (LUA's), 10-year Capital Improvement Plan (CIP) and impact fee ordinance every five years. Texas Local Government Code also requires the City Council to appoint an Impact Fee Advisory Committee made up of at least five members. The committee's charge is to review the proposed 10-year CIP and advise and assist the City Council in adopting the Land Use Assumptions and amending impact fees and provide semi-annual reports to see if there are any inequities that could arrive on based on the economy and other factors. He explained impact fees are a way of financing off-site improvements for new development. It is required by state law that we update the impact fees every five years. He reviewed the time line as seen in Attachment 1. He said the IFAC met on July 23, 2012 and recommended the City Council adopt the LUA and 10-year CIP. Once the Council held the public hearing on September 17, 2012 and adopted the LUA and CIP the maximum impact fee which can be assessed was calculated for water, sewer and roadway impact fees. Moving along the timeline, the LUA and CIP Report has been made publicly available thru Legistar and a Public Hearing has been set for November 5, 2012. The IFAC will make recommendation to City Council through written comments no later than the 5th business day before the date of the public hearing. He explained the methodology of how the maximum impact fees were calculated. He

explained that the IFAC can recommend assessing any amount up to the maximum impact fee calculated. He provided a chart showing area cities impact fees per single family dwelling. He said you can't really compare these apples to apples because they have different systems in place and different needs but stated that it is responsible to look at it on a comparison basis to make sure you are competitive with surrounding cities for marketing purposes only with the understanding that the city may be subsidizing a lot of the infrastructure for future development. Mr. Poe showed some sample impact fee calculations for single family and commercial development.

Scott Everett said he thought the IFAC role was to recommend adopting the maximum fees allowed and then City Council could recommend a lower fee if they choose too. Do we need to recommend the maximum fees or what we feel the impact fees should be? Mr. Poe said that tonight they need to discuss the methodology that is used to determine the impact fees and if you are comfortable with that and the impact fees based on that approach. Mr. Everett stated he personally felt that the fees were way overboard. Mr. Ross said that was his feelings with raising the fees thirty to sixty percent. He asked had there been any analysis done as far as the fees being competitive with surrounding areas. Mr. Poe stated that these fees are set at what the maximum fee is allowed by state law. He stated the city will have to determine how much it wants to subsidize the development community and there are many factors on what a developer looks at to determine location. Take for instance Southlake they could have set their fees to the maximum and it would not have matter because the developers wanted to be in that corridor. Mr. Ross said he would like to know what Garland's impact fees are from the standpoint of the Turnpike District. Mr. Hock asked how would the maximum fee impact our residential development since it would increase it from approximately \$5300 to \$7300. Mr. Poe said in residential you don't really see any impact because the fees are generally passed on to the home builder and built into the price of the lot. Mr. Hock said that the City of Rowlett has been putting in infrastructure will they have to increase their impact fees soon. Mr. Poe said that Rowlett raised their impact fees in 2004. There was backlash from the development community and three months later they cut their fees in half. In 2009 they determined LUA were adequate and kept the same rates. Mr. Hock asked if the IFAC recommends that Council should adopt the maximum fees what leverage does that give them in negotiations with developers. Mr. Poe said sometimes the higher the fees allows the city more leverage to credit those fees depending on how the development will benefit the city. Mr. Everett stated his concern is that we do not have a lot of interest from developers wanting to come here and if the fees are too high it will discourage future development. Mr. Becker was concerned these fees are not competitive with surrounding areas. Mr. Ross had a question about the discrepancies in the fees. He said for water, sewer, and roadway on the comparison table are a different amount than what we are recommending in the staff report. Mr. Poe stated that they were from rounding errors in the spreadsheet. Mr. Everett stated that our future is in commercial development and he wanted the city to be business friendly and competitive with our fees. More discussion followed among commissioners about impact fee rates and balancing the need to be competitive with surrounding cities.

Mr. Becker made a motion that the new impact fee study be accepted as recommended by the report with the exception of the water and IFAC recommends that the City Council make a 30% reduction in the amended maximum water impact fee and accept the amended maximum for sewer and roadway. Charles Ross seconded the motion. The motion passed with all voting in the favor.

There being no further business Scott Everett moved to adjourn. The meeting was adjourned at 8:57 p.m.

Secretary

Chairperson