

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Direct staff to halt the process of implementing impact fees for water, wastewater, and roadway facilities.

ORIGINATING DEPARTMENT

Public Works

BACKGROUND INFORMATION

On August 16, 2016, via resolution 16-094R, the City Council directed staff to undertake and complete the impact fee implementation process, to include authorizing the City Manager to execute a professional services agreement with Kimley-Horn to facilitate the process.

DISCUSSION/CONCLUSION

On February 21, 2017, staff briefed the City Council on the status of the process, provided a proposed timeline for the adoption and effective date of an impact fee, and sought guidance regarding the creation of the statutorily-mandated Capital Improvements Advisory Committee. At the conclusion of the briefing, Council's consensus was not to proceed with the implementation of impact fees.

FISCAL IMPACT

By halting the impact fee process, the City will immediately save \$28,975, which is the cost to re-engage the services of Kimley-Horn to complete the impact fee process. In the long term, the City will lose the value of the fees that would have been assessed against, and collected from, new development in the city limits and ETJ. Initial recoverable costs over a 10-year period from the implementation of impact fees are estimated to be \$27,500,000 for roadway infrastructure and \$13,000,000 for water and wastewater infrastructure.

RECOMMENDATION

That the City Council formalize its February 21, 2017 consensus to direct staff to halt the implementation process for Impact Fees.