

Capital Improvements Advisory Committee (CIAC)
City Hall 3rd Floor Conference Room
March 23, 2022
3:00 PM

In attendance:

<u>City Staff</u>	<u>CIAC Members</u>
Michael Marrero, City Manager	John Landgraf
Cindy Muncy, Assistant City Manager	Mike Withrow
Phillip Urrutia, Assistant City Manager	Joe Hurt
Thomas Kerr, Director of Public Works/Utilities	Dr. James B. Goates
Vanessa Ramirez, Deputy Director of Public Works/Utilities	Filiberto Gonzales
Joe Tucker, Assistant City Engineer	Dustin Fawcett
Fara Hernandez, CIP Coordinator	
Maria Calbillo, Contracts Supervisor	<u>Members Absent</u>
	Lance Marker

1. Call to Order

Mr. John Landgraf called meeting to order at 3:00 p.m.

2. New member introductions

Mr. Dustin Fawcett introduced himself to the committee.

Mr. Thomas Kerr indicated Mr. Marker was unable to make it.

3. Approve minutes from the May 19, 2021 CIAC Meeting

Mr. Landgraf proceeded with the next agenda item, approving minutes from May 19, 2021. He asked if there were any additions. There were some corrections to the spelling of names. There was a motion to approve with corrections by Mr. Filiberto Gonzales and seconded by Dr. James B. Goates. Motion passed unanimously.

4. Impact Fee Overview

Ms. Vanessa Ramirez took the floor and started by indicating it had been a while since Impact Fees had been discussed. She discussed the initial meetings with Kimley-Horn and proceeded to demonstrate the three roadway service areas and the dollar amounts correlating to the identified Roadway CIP projects over the next 10 years. Ms. Ramirez proceeded to discuss the water and

wastewater service areas, both being a single service area that extends into the ETJ. The dollar amount correlating to water and wastewater identified CIP projects was also discussed, with water CIP projects being \$55.4 million and wastewater CIP projects being \$89 million. Ms. Ramirez continued discussing the Impact Fees adopted by City Council and demonstrated the impact fee amounts per service units as well as specific provisions such as assessment, collection and offsets which apply to impact fee type. She provided the effective date of the Impact Fees which was September 9, 2021 with a one-year grace period. Ms. Ramirez opened the floor for questions.

Mr. Gonzales asked if there were any concerns. Ms. Ramirez stated that only one appeal had gone before council which was denied. Mr. Michael Marrero confirmed that was correct. Mr. Mike Withrow asked if it was a residential or commercial property. Ms. Ramirez indicated that it was a commercial property.

5. Discuss semi-annual report

Ms. Ramirez spoke about the Draft Semi-Annual Report and reviewed the land use assumptions. The floor was turned over to Mr. Joe Tucker and Mrs. Fara Hernandez. Mr. Tucker provided an overview of how impact fees are assessed by showing a sample Impact Fee calculation with a residential development. Mr. Tucker explained that the fees were not based on lot size but on usage; therefore, commercial properties have more usage. Mr. Landgraf asked how the breakdown was done and if every lot had a ¾-inch meter. Mr. Withrow asked about the offset aspect using D.R. Horton as an example. Mr. Kerr responded, in looking at Capital Improvements, if they paid on those infrastructures that amount is offset. Ms. Ramirez added that the City would have an offset agreement with the developer which gets passed through. The developer would recoup from who he sells to. Mr. Landgraf asked if a draft was available. Ms. Ramirez stated that one is being worked on. Mr. Withrow and Mr. Landgraf requested a copy of the draft once it was done. Ms. Ramirez stated that ideally, we would have the offset confirmed prior to the developer selling the lots so they could pass through to the seller, however if the lots were already sold another mechanism would have to occur and the City would get creative on how to accomplish that. Mr. Gonzales asked if it would need to go to council. Ms. Ramirez indicated that it did not since it is already in the City ordinance. Mr. Tucker added that not all scenarios will have offsets. Mr. Marrero stated that we want to recognize the contribution the developer has made. Mr. Withrow asked if it could be left as a credit for future developments. Ms. Ramirez indicated that if the developer chooses to spread out the City could write that into the agreement if it was a multiphase development.

Mr. Marrero asked Mr. Tucker if he had an example of a commercial property calculation. Mr. Tucker provided an example of a convenience store with fueling stations and a 2-inch meter. Mr. Kerr indicated that the worksheets were on the website and they auto calculate. Mr. Withrow asked to calculate one. Example worksheets were done for a few different development types. A question was raised as to how Impact Fees would be assessed if the City were dealing with a shell. Mr. Tucker replied that once the City has a build-out plan it would be recalculated. Mr. Landgraf asked to have a comparison of impact fee calculations of different development in Odessa and Midland sent to the committee. Mr. Tucker proceeded with providing an example of a re-platted property located within the CDBG area.

Mr. Marrero asked if Midland had the calculation worksheets available online which Mr. Tucker had indicated that they do. Mr. Kerr stated that Odessa's calculations were intended to be less than Midland's calculations.

Mrs. Hernandez reviewed the Impact Fee revenue overview with a breakdown of building permits assessed and issued with Impact Fees. Dr. Goates asked if there have been any complaints or protests from builders. A recap was given of the one appeal that went before council. Mr. Marrero stated that in this instance the buyer was not made aware of the impact fees and did not budget for those fees.

6. Authorize the CIAC Chair to file semi-annual report with Council on behalf of the CIAC

Mr. Landgraf asked for a motion. Motion was made by Dr. Goates and seconded by Mr. Gonzales. Motion passed unanimously.

7. Discuss Impact Fee ordinance revisions

Ms. Ramirez proceeded with discussing the revisions to the Impact Fee ordinance. She indicated that most are housekeeping items, and the only substantive change will be to the grace period. The grace period would be honored to any properly submitted building permit applications within the grace period to allow for developers to fall under the grace period. These housekeeping items will be presented to Council with a mention that the items were discussed with the CIAC. Ms. Ramirez further indicated that statutorily the Impact Fee study will need to be reviewed every 5 years.

8. Discuss questions/comments from the CIAC

CIAC members were happy with the discussions held today and looked forward to receiving the information requested during said discussions.

9. Adjourn

No further business was discussed, and the meeting was adjourned at 3:55 PM.

ATTEST:

APPROVED:

Filiberto Gonzales, Secretary

John Landgraf, Chair