

Capital Improvements Advisory Committee (CIAC)
May 5, 2021
5:30 p.m.

Participants:

City Staff

Michael Marrero, City Manager
Cindy Muncy, Asst. City Manager
Phillip Urrutia, Asst. City Manager
Thomas Kerr, Dir. of Public Works/Utilities
Yervand Hmayakyan, City Engineer
Hal Feldman, Traffic Engineer
Fara Hernandez, CIP Coordinator
Magaly Nieto, Communications Specialist

Kimley-Horn & Associates

John Atkins
Jeff Whitacre

Council Members

Steve Thompson
Mari Willis
Detra White

CIAC Members

John Landgraf
Joe Hurt
Dr. James Goates
Filiberto Gonzales

Absent

Rev. Quincy L. Randall
Mike Withrow
Richard Pierce

Stakeholders/ Developers Present

Chris Berry, Betenbough Homes
Scott Thane, Scott Thane Ditching
Larry Lee, Leeco
John McKnight, Silver Leaf
Chris Green, DR Horton
Michelle Blackwell, Silver Leaf
Wyly Brown, Wyly Brown Family Partnership
Mark Anderegg, Wyly Brown Family
Partnership
Steve Howard, DR Horton

Call to Order 5:38 p.m.

1. Mr. Landgraf gave a brief introduction. He stated that the CIAC was open to answer any questions and he turned over to Kimley-Horn to give their presentation.

2. Impact Fee Presentation

Kimley-Horn

Mr. Whitacre began his presentation. At slide 18, Mr. Berry asked about annexation if a section was not in a service area. Mr. Whitacre stated that there are different ways to handle annexation. The ordinance could mention anything less than 10 acres would update the map automatically and anything greater than 10 acres would go through the update process as some cities have adopted. That specific discussion has not been held. By law under roadway if you are not in a service area an impact fee would not be charged.

Mr. Kerr asked if the numbers shown on slide 35 were the maximum allowed by the State. Mr. Whitacre stated that the amount that can be charged was anything between 0 and calculated maximum assessable fee. He proceeded with the presentation.

Mr. Berry asked if any of the projects on the CIP been funded. Mr. Whitacre stated that some have been funded. Some mentioned projects were Faudree, a portion of Dawn and 61st Street and Line P. Mr. Lee stated that he would not have to pay impact fees on 61st Street since it was on the CIP list. Mr. Whitacre confirmed that if he was building the road, he would not be charged an impact fee and if required to build the road an impact fee credit would be received. To further clarify, if building a system roadway, a credit would be received.

Mr. Berry asked what the thought process was behind water and wastewater projects funded and why the developers were taxed on those items. Mr. Atkins stated that it was the calculation details. The ad valorem taxes take value built into the current rate and subtract it out. It is not "double dipped". Mr. Berry asked if a project was funded did it need to be included. Mr. Atkins stated that Line P is being built to go beyond the ten-year window, and included oversizing. It discounted the current capacity and the dollar amount was pulled out of the cost. Mr. Kerr stated that the funding was established and not specifically debt issuance.

It was stated that some municipalities carve out an area to exempt from impact fees. Mr. Berry suggested a flat fee to keep housing affordable and keep Odessa in a growth area.

Councilmember Thompson stated that they cannot continue to hand out certificates of obligation. Mr. Anderegg asked if it would be easier to charge everyone who hooks up to water to pay an additional \$1-\$2. Councilmember White stated that increases were built in to cover general maintenance and it goes back to the City paying for development in one area of the City. District 3 is built out and is not a high-income area. The increased rate would pay for new lines that do not benefit the area which is why impact fees were of interest.

Mr. Lee asked what the City planned to use the \$5 million a year on. Mr. Thompson stated that it was a debt service not a new one and it could be used to pay off existing debt. He was not worried about first time homebuyers with the high paying oil field jobs. Mr. Whitacre stated that the common use of impact fees was debt service, jump start projects and partnership with developers.

Councilmember Willis agreed with Councilmember White. The Council was trying to think outside of the box and impact fees provided leeway. Ms. White asked if homes were being built under \$200,000. The average was between \$265,000-\$300,000. Dr. Goates stated that it was not low to moderate income. Housing was not typically built for low-income families. Councilmember Thompson stated that homes are dependent on 2 incomes.

Mr. Landgraf asked if there were any additional questions. He stated that there was not a specific recommendation yet. The CIAC was interested in hearing the stakeholders and developers concerns and input. There was still a couple more months of work. He thanks everyone for their participation.

4. Adjourn

There being no further business, the meeting adjourned at 6:59 p.m.

ATTEST:

APPROVED:

Filiberto Gonzales, Secretary

John Landgraf, Chair