

ORDINANCE NO 2024-03

AN ORDINANCE UPDATING THE ENGINEERING SERVICES AND CONSTRUCTION INSPECTION FEES IN THE CITY OF LEAGUE CITY AND REPEALING AND REPLACING ORDINANCE 2023-26

WHEREAS, the City of League City, Texas incurs administrative expenses in providing engineering and inspection services for public improvements which are constructed by developers, and such expenses should be properly borne as fees by developers; and

WHEREAS, on January 9, 2018, the City Council passed Ordinance 2018-46 which established the public works engineering services and inspection fee (“inspection fee”) in an amount equal to 2.5% of the cost to construct public improvements by developers; and

WHEREAS, in 2023, the Texas Legislature passed HB 3492, which added, among other provisions, Section 212.906 of the Texas Local Government Code (“Section 212.906”) related to fees assessed by cities for engineering and inspection services and HB 3492 becomes effective September 1, 2023; and

WHEREAS, under Section 212.906: 1) cities may no longer base any application, review, inspection, or other related fees for constructing or improving public infrastructure for a subdivision lot on the cost or value of the infrastructure project, 2) cities may no longer require an applicant to disclose information related to the cost or value of a public infrastructure project for city acceptance of the subdivision or infrastructure project, except as required by the Federal Emergency Agency for participating in the National Flood Insurance Program and 3) cities may only determine such fees by considering the city’s actual review, processing, and inspection costs related to the public infrastructure project; and

WHEREAS, under Section 212.906, when determining actual review costs, cities may consider: 1) the fee that a qualified independent third-party entity would charge to review, process, and inspect such applications and construction, 2) the hourly rate for the estimated actual direct time of a city employee to review, process, and inspect such applications and construction or 3) the actual costs that a third-party charged the city to provide such services; and

WHEREAS, on August 22, 2023, the City Council passed Ordinance 2023-26, which modified the City’s development fees in compliance with HB 3492; and

WHEREAS, after conducting an in-depth revenue study on the City’s various fees, the City Council wishes to further update its development fees to more accurately reflect the costs to the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The facts and opinions in the preamble of this ordinance are true and correct.

Section 2. Developers shall pay an Engineering Fee of \$9,350 per plan review submittal and a Construction Inspection Fee of \$5,500 per month according to the payment schedules described below.

Plan Review Fee Payment Schedule. Each developer shall pay a fee of \$18,700 which would be due at the time of the application and initial plan submittal is made to the City. This fee will cover 2 plan reviews. If additional plan review fees are needed, then a fee of \$9,350 would be submitted with each subsequent plan submittal.

Construction Inspection Fee Payment Schedule. Prior to scheduling a pre-construction meeting, the developer will need to work with staff on a construction schedule. The Construction Inspection Fee of \$5,500/month will be assessed based on this schedule and that amount will be due no later than the pre-construction meeting. For projects taking longer than the initial construction schedule allowed for, an additional fee of \$5,500 will be required for each month of construction and due prior to final acceptance of the infrastructure by Staff.

Section 3. For any uncompleted development projects which were submitted before February 1, 2024, Developers will be assessed fees (for additional plan review services or construction inspection services) at the updated rates indicated in Section 2.

Section 4. In compliance with Section 212.906, Texas Local Government Code, the City Secretary is directed to publish the new fee amounts and the city employee hourly rates and estimated times used to determine such amounts on the city's website.

Section 5. Ordinance 2023-26 shall be repealed on February 1, 2024.

Section 6. Savings. All rights and remedies which have accrued in favor of the City under this Ordinance and amendments thereto shall be and are preserved for the benefit of the City.

Section 7. Severability. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid, unconstitutional or otherwise unenforceable by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

Section 8. Repealer. All ordinances and parts of ordinances in conflict herewith are hereby repealed but only to the extent of such conflict.

Section 9. Publication and Effective Date. The City Secretary shall cause this Ordinance, or its caption, to be published in the official newspaper of the City of League City, upon passage of such Ordinance. This Ordinance shall become effective February 1, 2024.

Section 10. It is hereby found and determined that the meeting at which this ordinance was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED on first reading the ___ day of _____, 2024.

PASSED AND ADOPTED on the _____ day of _____, 2024.

NICK LONG,
Mayor

ATTEST:

DIANA M. STAPP,
City Secretary

APPROVED AS TO FORM:

MICHELLE L. VILLARREAL
Interim City Attorney