



City of League City, TX

300 West Walker
League City TX 77573

Meeting Minutes City Council

Tuesday, April 9, 2019

5:00 PM

Council Chambers
200 West Walker Street

Council Work Session

The City Council of the City of League City, Texas, met in a work session in Council Chambers at 200 West Walker Street on the above date at 5:00 p.m.

Mayor:

Pat Hallisey

City Council Members:

**Andy Mann
Hank Dugie
Larry Millican
Todd Kinsey
Greg Gripon
Chad Tressler
Nick Long**

City Manager:

John Baumgartner

Assistant City Manager

Bo Bass

Assistant City Manager

Michael Kramm

City Attorney:

Nghiem Doan

City Secretary:

Diana M. Stapp

Chief of Police:

Gary Ratliff

Director of Budget/Project Management

Angie Steelman

Director of Engineering:

Christopher Sims

Interim Director of Finance:

Angie Steelman

Director of Human Resources/Civil Service:

Janet Shirley

Director of Parks & Cultural Services:

Chien Wei

Director of Planning/Development:

David Hoover

Director of Public Works:

Jody Hooks

1. CALL TO ORDER AND ROLL CALL OF MEMBERS

Mayor Hallisey called the meeting to order at 5:00 p.m. and called the roll. All members of Council were present except Andy Mann and Nick Long.

Absent 2 - Mr. Andy Mann and Mr. Nick Long

Present 6 - Mayor Pat Hallisey, Mr. Hank Dugie, Mr. Larry Millican, Mr. Todd Kinsey, Mr. Greg Gripon and Mr. Chad Tressler

2. **PRESENTATION REGARDING SUMMARY OF REVISED WATER AND WASTEWATER CAPITAL IMPROVEMENT FEE REPORT**

A presentation was given by Richard Weatherly and Freese & Nichols.

OVERVIEW AND CAPITAL RECOVERY FEE BASICS

What are Capital Recovery Fees (CRF)?

One-time charge assessed to new development for a portion of costs related to specific capital improvements (Systematic, structured approach to assessment of fees)

Basis of Capital Recovery Fees?

New development should pay for the cost of public infrastructure required to serve it (“Growth paying for growth”)

- Authorized by State Law (Local Government Code Chapter 395)
- Specific requirements for program administration and fee calculation
- Update required every five years
- Tool for assisting in determination of proportionality

Who Pays for Growth?

Capital Recovery Fees – New development shares in part of this responsibility

No Capital Recovery Fees – Existing and future tax payers build all capital facilities

Types of Capital Recovery Fees

Roadway (City recently adopted)

- Based on size and type of development, specific location (service area)
- Collected at time of building permit

Water & Wastewater

- Based on meter size
- Collected at time of connection to system
- Collected and applied citywide

Both types of fees are calculated based on Service Units – unites of development brought online

What Can CRFs Pay for?

Construction – Surveying – Engineering - Land Acquisition - Debt Service

Water supply, treatment, and distribution facilities/Wastewater collection and treatment facilities included in the Capital Recovery Fee Capital Improvement Plan

CRFs can also pay for required updates to the

- **Fee schedule**
- **CRF CIP**
(Not Staff time, but contracted study updates)

What do CRFs NOT Pay for?

- o **Upgrading, updating, expanding, or replacing existing capital improvements that serve existing development (where there is no new development)**
- o **Repair, operation, or maintenance of existing or new facilities**
- o **Cost of projects that are not included in the Capital Recovery Fee Capital Improvement Plan**
- o **Debt service for projects that are not included in the Capital Recovery Fee Capital Improvement Plan**
- o **Administrative and operating costs of the capital recovery fee program by City Staff**

Water/Wastewater CRF Update Process

Develop Water/Wastewater Master Plan Capital Improvements Plans (CIPs)

Council Workshop: Master Plans and CRF 101

Develop Capital Recovery Fee CIP

Conduct Capital Recovery Fee Calculations

(Utilizing 2017 Land Use Assumptions Report)

Capital Improvements Advisory Committee (CIAC) Presentation & Discussion

Public Hearing and Council Approval

Update Capital Recovery Fee Ordinance

LAND USE ASSUMPTIONS

- **10-year growth projections for CFRs**
- **Based on trend/forecasted community growth**
- **Population/commercial acreage used to derive demands and flows from future development**
- **Basis for CIP development**
- **LUA adopted by Council in November 2017**
 - Used for both Water/Wastewater and Roadway CRF update**
 - Existing Population (2018) 102,635**
 - Projected 10-year Population (2028) 142,091**
 - Projected 20-year Population (2038) 206,827**

WATER AND WASTEWATER CIP

Water CRF Eligible Cost: \$106 M

Wastewater CRF Eligible Cost: \$ 68M

Note: Costs are in 2018 dollars; CIP Cost Estimates include 25% Contingency and 15% Engineering Services

WATER AND WASTEWATER CRF ANALYSIS

Capital Recovery Fee Calculations

The MAXIMUM ALLOWABLE CAPITAL RECOVERY FEE Per EDU equals the Pre-Credit Recoverable Cost (minus Credit) divided by Growth in Service Units

EDU – Equivalent Dwelling Unit (connection for a single family home)

Pre-Credit Recoverable Cost – 10-year capital costs with financing (2018-2028)

Credit – Chapter 395 requirements: reduce the recoverable cost by conducting a credit analysis to determine the portion of ad valorem tax and utility service revenue generated that is used for growth CIP

Growth in Service Units – Derived from land use assumptions for 10-year growth in EDUs

2019 Maximum Allowable Capital Recovery Fee

Water CRF Per EDU = \$5,101

Wastewater CRF Per EDU = \$2,567

Total Maximum Impact Fee = \$7,668

NEXT STEPS

Public Hearing and Council Approval: April 9, 2019

3. PUBLIC COMMENTS

4. ADJOURNMENT

At 5:26 p.m. Mayor Hallisey said, there being no further business this meeting is adjourned.

**PAT HALLISEY
MAYOR**

JEANNE HAMMACK
DEPUTY CITY SECRETARY

(SEAL)

MINUTES APPROVED: