

A RESOLUTION ADOPTING THE CITY OF LEAGUE CITY CAPITAL RECOVERY FEE DEFERRAL POLICY; MAKING FINDINGS REGARDING AUTHORITY UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 395; AUTHORIZING THE CITY MANAGER TO ADMINISTER THE POLICY CONSISTENT WITH STATE LAW; AND PROVIDING FOR RELATED MATTERS

WHEREAS, the City of League City, Texas (the “City”), is a home-rule municipality authorized to impose, collect, and administer impact fees for water, wastewater, and roadway facilities pursuant to Texas Local Government Code Chapter 395; and

WHEREAS, Section 395.018 of the Texas Local Government Code expressly authorizes a political subdivision to enter into written agreements with property owners regarding the time and method of payment of impact fees; and

WHEREAS, the City has previously adopted ordinances establishing Capital Recovery Fees (“CRFs”) for water, wastewater, and roadway facilities in accordance with Chapter 395, supported by land use assumptions, capital improvements plans, and service area analyses; and

WHEREAS, the City Council finds that, in limited and carefully structured circumstances, allowing deferral of the timing of payment of Capital Recovery Fees, without reducing, waiving, rebating, or forgiving the amount owed, may facilitate high-quality commercial development while preserving the proportionality and integrity of the City’s impact fee program; and

WHEREAS, the City Council desires to adopt a formal policy establishing clear criteria, procedures, security requirements, and administrative controls for the consideration of Capital Recovery Fee deferrals, consistent with the authority granted by Chapter 395; and

WHEREAS, the City Council finds that the Capital Recovery Fee Deferral Policy is intended solely to regulate the timing and method of payment of duly imposed Capital Recovery Fees, and does not alter fee calculations, land use assumptions, capital improvements plans, service areas, or the proportionality requirements of Chapter 395; and

WHEREAS, the City Council further finds that requiring adequate security for deferred Capital Recovery Fees prior to issuance of a certificate of occupancy is necessary to protect the City’s financial interests and ensure full collection of all fees owed; and

WHEREAS, the City Council has reviewed the proposed Capital Recovery Fee Deferral Policy and finds that adoption of the Policy is in the best interest of the City and consistent with applicable state law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, AS FOLLOWS:

Section 1. The City hereby adopts the Capital Recovery Fee Deferral Policy, which is attached and incorporated as **Exhibit A**.

Section 2. The City Council hereby finds and determines that the Capital Recovery Fee Deferral Policy is authorized under Texas Local Government Code §§ 395.016(d) and 395.018, and that all deferrals granted pursuant to the Policy shall constitute agreements regarding the time and method of payment of Capital Recovery Fees, and shall not constitute a waiver, reduction, rebate, or forgiveness of any fee.

Section 3. All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. It is hereby found and determined that the meeting at which this resolution 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 AND APPROVED the \_\_\_\_\_ day of \_\_\_\_\_, 2026.

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NICK LONG  
Mayor

ATTEST:

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DIANA STAPP  
City Secretary

APPROVED AS TO FORM:

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MICHELLE L. VILLARREAL  
City Attorney (mv)