



---

## CITY COUNCIL CONSIDERATION ITEM

### CITY OF FAIR OAKS RANCH, TEXAS

September 7, 2023

---

AGENDA TOPIC: Consideration and possible action approving the first reading of an ordinance amending the City of Fair Oaks Ranch Code of Ordinances Appendix A "Fee Schedule," Article A8.000 "Subdivision/Land Development Regulation Fees."

DATE: September 7, 2023

DEPARTMENT: Public Works & Engineering Services

PRESENTED BY: Grant Watanabe, P.E., Director of Public Works & Engineering Services

---

#### **PURPOSE:**

On August 3, 2023, staff conducted a workshop with the City Council to review potential updates to the City's Fee Schedule related to subdivision and land development applications and permits (Code of Ordinances, Appendix A, Article A8.000). The Council provided feedback that no fee should be reduced to ensure the proposed fees cover the cost of service. This ordinance amends the Fee Schedule to reflect the changes discussed at the workshop and feedback received.

#### **INTRODUCTION/BACKGROUND:**

The City of Fair Oaks Ranch funds its operations through many different revenue sources. One of the sources of revenue is fees. The purpose of assessing fees is to charge the recipients of the services directly for the cost of providing those services, rather than having the cost of those direct services subsidized by other revenue sources. The City processes a considerable number of development-related applications and permits. These types of development-related applications and permits require extensive reviews of submittals by multiple staff members and consultants to ensure infrastructure standards and regulatory requirements are met. Staff performed an assessment of the current fees charged for the development-related applications to determine if the current fees adequately covered the cost incurred to review the applications. As part of the assessment, fee schedules of surrounding cities were also evaluated. The key findings are as follows:

- 1) Current fees do not cover the cost to review and process applications.
- 2) Current fees are significantly lower than that of surrounding cities.
- 3) The current fee schedule does not include all application and permit types required by the UDC.

According to the City's Financial Management Policy, for services associated with a user fee or charge, the direct and indirect cost of that service will be offset by a fee where possible. In addition, it states an annual review of fees and charges will be conducted to ensure that fees provide adequate coverage of costs of service.

The current fee schedule, specifically the Code of Ordinances, Appendix A, Article A8.000 Subdivision/Land Development Regulation Fees, was last updated and adopted in November 2018. Attachments include the ordinance amending the fee schedule (**Exhibit A**) and a comparison of current and proposed development-related fees (**Exhibit B**) for reference.

**POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:**

1. Aligns with Priority 1.4 to Develop Sustainable Financing Strategies aligned with service delivery expectations.
2. Complies with the City's Financial Management Policy that an annual review of fees and charges is performed to ensure that fees provide adequate coverage of costs of service.
3. Ensures subdivision and land development fees are reasonable and equitable and cost of service is not subsidized by other revenue sources.
4. Sets fees and charges to meet the fiscal and policy goals and objectives of the City.

**LONG-TERM FINANCIAL & BUDGETARY IMPACT:**

The new and updated development-related fees will cover the cost of service. This includes staff labor and consultant costs to process applications and permits, review plats, plans and supporting documentation, prepare public hearing or agenda consideration items, and inspect public infrastructure improvements to ensure compliance with applicable development requirements.

**LEGAL ANALYSIS:**

Legal has reviewed the ordinance and approved the ordinance as to form.

**RECOMMENDATION/PROPOSED MOTION:**

I move to approve an ordinance amending the City of Fair Oaks Ranch Code of Ordinances Appendix A "Fee Schedule," Article A8.000 "Subdivision/Land Development Regulation Fees."