



---

## CITY COUNCIL WORKSHOP

### CITY OF FAIR OAKS RANCH, TEXAS

August 3, 2023

---

AGENDA TOPIC:      Subdivision and Land Development Fee Workshop

DATE:                      August 3, 2023

DEPARTMENT:        Public Works & Engineering Services

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

---

#### **PURPOSE:**

The purpose of this workshop is 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). Although no Council action is requested as part of this workshop, staff seeks input on potential fee changes and may bring back a future ordinance to amend the fee schedule if such changes are supported.

#### **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 recipient of the service 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 (see Exhibit A). 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.

**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:**

N/A

**LEGAL ANALYSIS:**

N/A

**RECOMMENDATION/PROPOSED MOTION:**

N/A