

To: Honorable Mayor Gregory C. Maxton and City Council Members
City of Fair Oaks Ranch

**Capital Improvements Advisory Committee Semiannual Progress Report
March 21, 2024 Meeting**

Overview:

A Capital Improvements Plan is required by LGC § 395, *Financing Capital Improvements Required by New Development in Municipalities, Counties and Certain other Local Governments*. The plan is to identify capital improvements or facility expansions required by new service units projected; and to include a description of the service area and projection of changes in land uses, densities, intensities, and populations in the service area over a 10-year period. Since the City imposes an impact fee, a periodic review shall be performed at least every five years to determine the need of updating the plans and/or impact fees.

To partially pay for the extension of its Water and Wastewater systems attributable to new development, the City of Fair Oaks Ranch has opted to charge impact fees as allowed under Texas Local Government Code Title 12. Subtitle C. Chapter 395 (Code).

The Code requires the governing body (City) to appoint a Capital Improvements Advisory Committee (CIAC). The CIAC serves in an advisory capacity and is established to:

1. advise and assist the City in adopting land use assumptions;
2. review the capital improvements plan and file written comments;
3. monitor and evaluate implementation of the capital improvements plan;
4. file semiannual reports with respect to the progress of the capital improvements plan and report to the City any perceived inequities in implementing the plan or imposing the impact fee; and
5. advise the City of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

Progress Report:

Chairperson Mebane called the semi-annual CIAC meeting to order at 9:00 AM, Thursday, March 21, 2024. Below are the members present along with their designation and term expiration:

Paul Mebane, Chair (At Large) 9/30/25
Chris Weigand, Vice Chair (Real Estate) 9/30/25
John Guidry (At Large) 9/30/24
Seth Mitchell (At Large) 9/30/24
Marcus Garcia (Development) 9/30/25

Chairperson Mebane declared a quorum present.

Absent was:

Joe DeCola (Real Estate) 9/30/24
Dana Green (Development) 9/30/25
Ben Koerner (At Large) 9/30/25

Council and Staff Present:

Emily Stroup, Council Representative
Gregory C. Maxton, Mayor

Scott M. Huizenga, City Manager
Grant Watanabe, P.E., Director of Public Works & Engineering Services
Amanda Wade, Public Works Administrative Assistant
Summer Fleming, Director of Finance
Amanda Valdez, Deputy City Secretary
Rachel Brown, Building Codes Administrative Assistant

Following introductions, staff provided updates on Capital Improvement Plans and Impact Fee Capital Projects. Staff also provided an update on Land Use Assumptions and answered questions of the members.

COMMITTEE RECOMMENDATIONS:

1. It is recognized that construction and material costs have risen and that home building has been slower than forecasted which will affect future Impact Fees. The current Impact Fees were approved by Council in early 2020 and need to be updated in early 2025.
2. It is recommended that the Water, Wastewater and Reuse Master Plan be updated this year in order to present new Impact Fee recommendations to Council in early 2025. This will allow us to have an updated Capital Improvement Plan and Land Use Assumptions as a basis for the new Impact Fees.
3. One significant change to the Wastewater CIP has occurred. We are no longer planning to build a new Wastewater Treatment Plant and have started design work for the expansion of the existing treatment plant. The Wastewater CIP has \$25M for the plant while the expansion is estimated to cost about \$5M.
4. The current Impact Fees were based on a Freese and Nichols Study completed in 2019. While such a study is not currently in the budget for this fiscal year, the CIAC recommends that such a study be funded to be kicked off this September. Staff plans to present a budget amendment at a future City Council meeting to use existing impact fees to fund the needed Impact Fee Study.

The next Semi Annual CIAC meeting will take place on September 5, 2024.

Signed: Paul M Mebane
Paul Mebane, CIAC Chairperson

Date: 4/4/24