

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

**Capital Improvements Advisory Committee Semiannual Progress Report
March 2, 2023 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 2, 2023. Below are the members present along with their designation and term expiration:

Paul Mebane, Chair (At Large) 9/30/25
Vice Chair Chris Weigand (Real Estate) 9/30/23
Joe DeCola (Real Estate) 9/30/24
John Guidry (At Large) 9/30/24
Seth Mitchell (At Large) 9/30/24
Ben Koerner (At Large) 9/30/23
Arthur Waterman (Building) 9/30/23
Marcus Garcia (Development) 9/30/25

Chairperson Mebane declared a quorum present.

Absent was:

Dana Green (Development) 9/30/25

Council and Staff Present:

Emily Stroup – Council Representative

Gregory C. Maxton, Mayor

Grant Watanabe, P.E. – Director of Public Works & Engineering Services

Katherine Schweitzer, P.E. – Manager of Engineering Services

Julio Colunga, Assistant Director of Public Works

Sandra Gorski, Public Works Administrative Assistant

Rosie Vela, Finance Director

Amanda Valdez, TRMC – Deputy City Secretary

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. While there have been no significant changes to the Capital Improvement Plan or Land Use Assumptions, it is recognized that costs are rising, and home building is slowing. We talked to Freese & Nichols about updating their 2019 Impact Fee Report. They indicated it would not be as simple as applying escalation factors across the board, and it would be better to have the Capital Improvement Plan project cost estimates and Land Use Assumptions updated to prepare a new report. It is recommended that the Water, Wastewater and Reuse Master Plan be updated in early FY23-24 to present new impact fee recommendations to Council in early 2025. [It is noted that New Braunfels recently updated their impact fees to a total of \$25,000 for both water and wastewater, compared to FOR's current \$15,000 for both.]
2. The 2022 Garver Wastewater Treatment Study recommended upgrading the existing wastewater treatment plant at an estimated cost of approximately \$17M. The cost of a new wastewater treatment plant (which is in the current Capital Improvement Plan prepared in 2019) was about \$18M. Garver estimated the cost of such a new plant now to be around \$50M. We have indications that construction costs have generally doubled compared to a few years ago.
3. The current Land Use Assumptions assume Fair Oaks Ranch buildout for water and wastewater infrastructure by 2033. Currently, the rate of home building is not keeping up with the progress to achieve this and is slowing with the economy. Tracking data of water and wastewater meters shows Fair Oaks Ranch homes requiring meters in 2022 to be about 50% of what it had been in the previous two years.
4. The Committee is open to supporting additional duties as assigned by the City Council. Per adopted Rules of Procedures, these may include reviewing proposed Capital Improvement Plans, providing written comments on those plans and monitoring and evaluating implantation of those plans.

The next Semi Annual CIAC meeting will take place on September 7, 2023.

Signed: Paul Mebane
Paul Mebane, CIAC Chairperson

Date: March 27, 2023