



AGENDA ITEM SUMMARY FORM

MEETING DATE: February 4, 2026
PREPARED BY: Michael Burrell, Director
DEPARTMENT: Development Services

AGENDA ITEM DESCRIPTION:

Consideration, discussion, and possible action on a Resolution authorizing the formation of the Community Impact Fee Advisory Committee and authorizing city staff to engage an independent auditor.

BACKGROUND/SUMMARY:

Resolution 2026-04 establishes the Community Impact Fee Advisory Committee under the updated State law that went into effect last September.

In prior years, the Planning and Zoning Commission, along with a developer representative, comprised the Community Impact Fee Advisory Committee. Under the updated State law (TLGC Ch. 395), the P&Z can no longer act as the Committee, and at least 50% of the committee members must be engaged in either real estate, development, or building industries. One member can also be from the ETJ, as impact fees can be assessed in the city's ETJ.

Additionally, the updated State law requires an independent financial audit of the city's impact fee accounts to be conducted prior to implementing or increasing any impact fees. This auditor cannot have been contracted to perform any work for the city in the preceding 12 months.

This Resolution authorizes staff to receive applications and bring qualified candidates back to the City Council no later than the March 18th Regular City Council meeting, as well as engage an independent auditor. The costs related to the audit, as well as updating the city's Capital Improvement Plan, can be paid for with impact fees. However, if the estimated cost for the auditor exceeds \$50,000, the city's Purchasing Policy requires three competitive bids. This Resolution authorizes staff to release an RFQ should that be necessary.

The City's water and sewer impact fees were last updated by Ordinance 710 approved on July 5th, 2023. Impact fees are required to be reassessed at least every 5 years, but can be done more frequently. As development progresses we continue to monitor our Capital Improvement Plan and impact fees, and as capital projects are completed and new expenses are considered, it is now recommended to update the city's CIP and related impact fees.

As part of the last CIP update, the Committee reviewed and made a recommendation regarding Roadway Impact Fees. Those fees were not adopted before the updated State law went into effect. This Resolution includes authorizing staff and the Committee to review and recommend to the City Council a Roadway Impact Fee, along with updated water and sewer impact fees.

While a formal 2026 Impact Fee Schedule will be created should the City Council authorize its formation, it is the goal of staff to have final adoption of any revised impact fees to the City Council by or before the November 4, 2026 Regular City Council meeting.

LEGAL REVIEW: Yes, Veronica Rivera, Assistant City Attorney
FISCAL IMPACT: Yes, costs incurred can be funded with impact fees
FORM 1295 FILED: Not Applicable
PRESENTATION: No
ATTACHMENTS: Yes

- Resolution 2026-04

STAFF RECOMMENDATION:

The city staff recommends that the City Council approve Resolution 2026-04 authorizing the formation of the Community Impact Fee Advisory Committee and authorizing city staff to engage an independent auditor.