

# MINUTES OF REGULAR MEETING

March 5, 2024

## MONTGOMERY PLANNING AND ZONING COMMISSION

### CALL TO ORDER

Chairman Simpson declared a quorum was present and called the meeting to order at 6:00 p.m.

Present: Bill Simpson, Tom Czulewicz, Daniel Gazda, John Fox, Merriam Walker

Absent:

Also Present: Dave McCorquodale, Director of Planning & Development  
Chris Roznovsky, WGA Consulting Engineers, City Engineer

### VISITOR/CITIZENS FORUM:

Cheryl Fox stated she has lived in the City for 49 years. She said in regard to item #3 she really dislikes the way the windscreens look which is almost as bad as the dumpster across the street. She said she is sure the business owner has a good reason for the cellophane as she has been a small business owner herself. In the pictures she thought it looked bad but in person it looks worse. He is only asking until the end of March, which is a short time, but the fact of even allowing that to come through FM 149 as people are driving through, she really thinks it is something that should not be allowed. She said she thinks it looks very tacky and has heard several residents do not like it.

1. Consideration and possible action on the Regular Meeting Minutes of February 6, 2024.

Motion to approve the February 6, 2024 meeting minutes was made by Tom Czulewicz and seconded by Merriam Walker. All in favor. (5-0)

2. Consideration and possible action on a proposed 35-foot-tall flagpole installation for 504 Caroline Street located in the Historic Preservation District.

Mr. McCorquodale said the request is for the left of the driveway as entering from Caroline Street. He said there are trees there and is certain it would not be placed too close to the trees. He introduced Allison with Gracepoint Homes and said she was available to answer any questions.

Merriam Walker asked if there would be any up lights going on it.

Ms. Allison said no lights are planned.

Tom Czulewicz asked if the flag is going to be raised and lowered every day.

Ms. Allison said the owner wants the Texas flag so whatever the appropriate accommodations for that would be.

Tom Czulewicz said the American flag requires illumination at night.

Ms. Allison said it is the Texas flag.

Merriam Walker asked how big is the flag.

Ms. Allison said they have not ordered it yet.

Mr. McCorquodale said the information in the packet specifies a maximum of a 6x10 for the flag pole itself. He said that is not speaking to what they are going to put up but at least the flag pole is designed for something as large as 6x10.

Ms. Allison said depending on how it fits with the art of the building. She said the pole they actually have from a previous location is 35-foot tall but it does not have to be that tall. She said they can shorten it if need be to accommodate the space so it does not supersede the roof line at the house.

Bill Simpson asked if it will be a maximum of 35-foot.

Ms. Allison said yes.

Merriam Walker asked if that is as tall as the second story and how tall is 35-feet.

Tom Czulewicz said it is about as tall as the top of the roof.

Merriam Walker asked if they have any say regarding the height.

Mr. McCorquodale said he thinks the regulations for commercial buildings has to be less than 40 feet but this is under whatever the requirement for a building would be.

Motion to approve the request for the flagpole as submitted was made by Tom Czulewicz and seconded by Dan Gazda. All in favor. (5-0)

3. Consideration and possible action on temporary windscreens around the front porch at 14335 Liberty Street located in the Historic Preservation District.

Tom Czulewicz said he thinks it is an eyesore. He said it would be fine if it were clear all the way around but the black on the top and bottom looks hideous and would not approve it as is.

Merriam Walker asked if he is already at the max as he previously asked for the variance for it to come out even more than it was before.

Mr. McCorquodale said if you recall he built the patio on and then had to come back to P&Z to ask for approval which was back in 2020.

Merriam Walker said as they have had various mini meetings, they are asking for forgiveness for something they have already done.

Tom Czulewicz said he agrees and that is another reason to disapprove.

Bill Simpson said it does not fit in with the character of downtown. He said he thinks there are a couple things he could do to it. He said they should let the time period to March run out but not make any decisions on next year until next year. He would need to reapply. He said he feels there are things he could do to dress that up plus if this does come back he would like to see it just as per hours of operation. If he is closed Monday and Tuesday it needs to get rolled up and same thing for closing in April. He said there are a couple ways they can address this where it is not so blatant out there plus the hours of operation will then make some of that [*inaudible*] but that can be taken care of next time he applies.

Bill Simpson said he does not believe he needs October in there as October is still a pretty warm month. He said cutting it back a month, hours of operation, and dressing it up a bit would help. He does not want to hamper anyone but they still have to somewhat conform.

Tom Czulewicz said he does not agree with that at all. He thinks you set a precedent and he agrees with Merriam that once again these people are trying to get forgiveness for doing something that is not in accordance with the regulations. If you approve it until the end of the month you are setting a precedent that they should not set. He said the thing that looks so hideous about it is the black on top and bottom. If it were clear plastic all the way up and down it would not look as bad but that definitely does not fit with the Historic District. He said whether it is one day or three weeks from now it does not fit.

Merriam Walker asked if he decides to put something up there permanently what are the rules for that.

Mr. McCorquodale said he would need to come before the Planning and Zoning Commission. He said he originally had an idea to extend the roof and the Commission said they do not object to the general concept but he would need to refine this idea more and bring it back with actual drawings but it was enough of a direction to give him that the Commission would consider a roof structure that was appropriate to it but he does not know where that stands. He said he has not heard from him to say that he is pursuing a roof at this time.

John Fox said he does not like the appearance of it and it looks tacky in the Historic District. He said he thinks it is more of a safety issue also. With people parking along both sides of FM 149 and jumping out of their cars it is a bad situation all the way around.

Dan Gazda said he agreed and asked if there were any other situations in outdoor dining in town that have anything like this. He asked if Cozy Grape was like that.

Mr. McCorquodale said Cozy Grape has their sunscreens that have been up for years but does not know if there is anything inside of that.

Bill Simpson said they do have plastic but it is in the inside.

Mr. McCorquodale said Ransom's is the other one he knows of that has an outdoor patio. He said there is not a lot of outdoor dining in the City. He said anything outside of the Historic District there is not a regulation that says you cannot do this it is just that it is in the Historic District and the Commission has the final say.

Motion to decline the request as submitted with recommendation to submit something more clear was made by Daniel Gazda and seconded by Merriam Walker.

Merriam Walker asked if the owner will be asked to remove them.

Mr. McCorquodale said as with anyone who is denied he can appeal to the Zoning Board of Adjustment. If he does apply to appeal the decision then the action stays until it is decided on by Council. He said City Council also serves as the Zoning Board of Adjustment

All in favor. (5-0)

4. Consideration and possible action on a recommendation for two variance requests related to lot width and lot area for a proposed 56-acre single-family residential development along the northeast corridor of Lone Star Parkway.

Mr. McCorquodale said this request is very similar to something that was proposed a couple of years ago. He said they were going for smaller 45 foot lots. The development went away and the Buffalo Springs Planned Development expired which means the previous variances which were granted to the 2004 Code of Ordinances were no longer valid. They were granted to something that was no longer in effect on the property. When the new developers came to the City they understood they would have to resubmit for these variances. He said the variances they are asking for are on lot width. As you know our minimum lot width is 75 feet and they are proposing a 55 foot width on their lots. The minimum lot area is 9,000 square feet and they are proposing a minimum of 6,000 square feet for the lot area. He said one important note on the proposed plan they have today is the side building lines on these 55 foot lots are going to be 10 feet which is what their ordinance does require. He said a number of the smaller lot sizes in recent past have also asked for a five foot side yard and this one is just notable in that the lot width is 55 feet but there is a 10 foot side yard that is anticipated on either side of the lot.

Bill Simpson asked if it was five on each or 10 on each.

Mr. McCorquodale said 10 on each.

Tom Czulewicz said 20 feet between houses.

Mr. McCorquodale said that is correct.

Daniel Gazda asked if this was before the preliminary plat. They will get the variances and get the preliminary plat again.

Mr. McCorquodale said yes and what this does is it allows the engineers to be able to review that plat and understand these were granted so they can review according to that as opposed to having to reject the plat and then they go back to the variances. He said it is a little more efficient for both the staff and consultants time and the developers and their teams time as well.

Mr. Roznovsky said specific to this development at Council next week they have an escrow agreement that will get approved and they will perform an updated feasibility study at that time. He said one was done back in 2020 and obviously a lot changes in two years.

He said they have submitted their preliminary plats that were rejected for the reason they just said. They have provided them general comments so they are ready to submit those back, but their preliminary plats are worthless without the approved variances.

Bill Simpson said on the rendering that was submitted it says phase 1 and phase 2, 84 lots and 103 and it says 55x120 typical. He asked if there is a variance and a lot and are there going to be smaller lot sizes than the 55 or will it all stay within the 55.

Mr. Kyle McAndrews, Taylor Morrison Development said 55 will be the minimum.

Bill Simpson asked if the rendering showing all the same size is going to vary.

Mr. McAndrews said it will slightly vary between 55 and 60.

Bill Simpson asked if nothing will be asked to be lower than the 55.

Mr. McAndrews said correct and maintain the 10 foot side setbacks on every lot as well.

Tom Czulewicz said this is addressing 84 lots and the letter talked about 170 residences. He asked where are the others going.

Mr. McAndrews said there are two sections. The second phase is 84 lots and the first phase is 103.

John Fox said as a part of the City they have 45 foot small lots period. He said as you look at the plat of the area surrounding Montgomery there are a lot of what people refer to as affordable housing. He said he thinks now is the time maybe they set a standard instead of saying you have to have 75 foot maybe 60 foot is the minimum and you work from that. He asked how would that affect the builder.

Mr. McAndrews asked if they were to increase to 60 foot lots.

John Fox said from 55 to 60.

Mr. McAndrews said they would lose roughly 15 to 20 more lots and it would become a little more economically difficult to develop. He said they originally started with 50's and that was around 187 lots and they increased to 55 so they counted for the 10 foot side setbacks and they have given up 15 lots or so already. He said with another 15 they would lose a few million in value both for them and for the City in taxable value.

John Fox said when you talk about a 50 foot lot or any lot for that matter it looks to him like they see huge houses on small lots and how would you feel if it was restricted to a certain size living area on a certain size lot.

Mr. McAndrews asked like a percentage of coverage.

John Fox said yes instead of how they are going about it here.

Mr. McAndrews said it would vary by developer. He said their homes are going to range in size and the smaller end will be just under 2,000 and will go up to 3,000 square feet. It would all depend on what that ruling would be if that ruled out anything they were planning on selling.

Mr. McAndrews stated it is important to note that when they went from the 50 foot lot and moved to 55 they did not increase their footprint of the home. They did not make a larger footprint. He said a lot of times when builders are forced to go to larger lots the size of the house also has to increase. They want to be able to have the same product because the market is the product they have and if they added a larger footprint the house value goes up but there is not as much of demand to be able to sell as quickly. They are putting the same size house on a bigger lot and are not making money. They are doing less houses with the same product.

Bill Simpson asked if the last areas that were developed on Lone Star Parkway were five foot side setbacks. He said these are 10 so we are not jamming these homes in.

Mr. Roznovsky said right around the area of Montgomery Bend are five foot setbacks and Town Creek Crossing is five foot setbacks.

John Fox said he has looked at the plat closely and he likes it and cannot see anything to disapprove of.

Bill Simpson said even if they had it at six feet someone is going to come back and ask for a variance of 55.

Daniel Gazda said in phase 1 and phase 2 there is a lot more green space in phase 2 than phase 1. He asked does the green space in phase 1 meet the requirements if just phase 1 was developed.

Mr. McAndrews said all the acreage toward the bridge/canal will all be in place as part of phase 1.

Tom Czulewicz asked if the parks that are envisioned on there will eventually be maintained by the HOA.

Mr. McAndrews said yes.

Tom Czulewicz asked if they will be available to nonresidents of the development.

Mr. McAndrews said technically they are not private.

Mr. McAndrews said they will not have a private enclosed recreation building that is specific to the community.

Mr. McCorquodale said one of the points of this development worth noting is it is in a MUD district. He said it is very similar to Town Creek Crossing which formed a MUD so you cannot close a park to the general public but you can require a fee for the general public. He said for example the splash pads at the development of Town Creek Crossing if the residents decide at some point that everyone is using it and they are the ones who are funding this through the MUD, a mud does have the ability to institute a use fee. If you live in the neighborhood a monthly pass may be \$5.00 but it may be \$20.00 for those not in the neighborhood. He said he does not have any experience with a specific example that does that but it was at least part of

the conversation when they were talking about the amenities in Town Creek Crossing. He said you cannot make them completely private because the MUD is a public entity but a MUD is able to adjust the fees. It is more of an address it if there is an issue but generally someone likely does not want to institute a complex process like that unless there is a need for it.

Tom Czulewicz asked if the City has an input on reviewing and approving the covenants and restrictions for the development.

Mr. McCorquodale said not that he is aware of and generally the cities and deed restrictions in Texas he has dealt with in the past and the City of Houston is a perfect example of it. He said the City of Houston does not have the normal traditional zones sometimes called Euclidean zoning which is what they operate on. He said they have a very strong deed restriction process in the City of Houston. If you go to permit a project in the City of Houston you sign an affidavit that says you are not violating any deed restrictions but the City of Houston says we do not enforce those deed restrictions. So furthering that point, he said he is not sure if cities have the ability to get in. He said in a planned development like Buffalo Springs those covenants and restrictions were all part of what was approved as part of the planned development. He said he does not know if in a normal subdivision scenario similar to this one that they are operating under the traditional zoning and in this case it is a PD but they did not start the PD they are just following the rules that are in it. He is not sure cities have the ability to get in and dictate deed restrictions but it is certainly something their City Attorney can answer and he will find out.

Tom Czulewicz said he is curious because throughout the country the developments are the builder and development and their attorneys draft up the deed restrictions and the covenants and everyone that lives there has to comply with that. He said they have actually more power than law because if they violate them they can fine them and can take their home from them. He said they are pretty strong restrictions and he thinks an elected official should have a say in that process rather than leaving it up to the development lawyers.

John Fox asked what about street widths. Are they going to see anything leaning toward these narrow streets they have seen in some of these other developments.

Mr. Roznovsky said the only variances they are requesting are the ones in front of you. He said the normal street widths of the City which are 20 foot are what they would be following unless they bring a variance request to you.

Bill Simpson asked if it is open ditch.

Mr. Roznovsky said it is curb and gutter. Any lots that are less than 100 feet are curb and gutter. If you have acreage homes you can do open ditch but everything else has to be curb and gutter.

Motion to recommend approval for the two variance requests related to lot width and lot area for proposed 56-acre single-family residential development along the northeast corridor of Lone Star Parkway was made by Dan Gazda and seconded by John Fox. All in favor. (5-0)

5. Consideration and possible action by the P&Z Commission acting as the Capital Improvements Advisory Committee on the Land Use Assumptions map used in the city's impact fee update.

Mr. McCorquodale said at the last meeting they viewed the Land Use Assumptions map as part of the Improvement Plan update. He said the Land Use Assumptions map is very different from

the Future Land Use Plan. A Future Land Use Plan is a vision for what you want and the Land Use Assumptions are very narrowly based on a couple of things which are what the current zoning is, what the observable development patterns are and known and active developments that are out of the city but are looking to be annexed. He said the purpose of this plan is it forms the foundation for what the impact fee update is based on.

Mr. Roznovsky said Katherine and Zach presented this at the last month's meeting. He said it is all based off the zoning map. He said back when the City created the impact fee ordinance they wanted it to be simple and straight forward so going off the zoning map it is not an additional map. He said they take zoning and look at what it is, what is the density and use and what is the projected timeline. In the end what this really changes is how many additional service unit houses or equivalent houses do they expect over that 10 year period of the impact fees. The math simply works out to what is the cost of the improvements that you can apply to impact fees divided by the number of added connections which comes out to what the impact fee is. What is in front of you gets them that denominator portion so how many units and the next item on the agenda they will talk about the numerator portion of the calculation.

Tom Czulewicz asked what is the definition of planned development because where it sits right now this whole area on the map shows 56 acres and it shows planned development should be changed to residential.

Mr. Roznovsky said the zoning is a planned development zone. He said what planned zone development is is a mixed use. When the PD was created for the Buffalo Springs planned development it was envisioned there be a mixture of commercial, single-family, multi-family, institutional uses of churches, schools, and city facilities within that entire area. There was an exhibit that was created at that time that gave a general layout of those. He said what is used on these is they look at surrounding uses. For example, the tract they just talked about the 56 acres is PD and has been talked about going single-family for years so in the Land Use Assumptions it is zoned PD but assumed to be single-family homes.

Tom Czulewicz asked why don't they do that. He said for instance where the schools are going in was planned development but there was no plan. Why not clarify on the definition and charts. If you know it is planned development and you know it is residential then indicate it is residential.

Mr. Roznovsky said the reasoning is the map adopted was the zoning map. They can show that on there of what the assumptions of the uses are but the official map is still the zoning map.

Mr. Zach Timms said on the top right corner of the map you see the undeveloped areas legend and some of those tracts such as the MISD is hatched with an orange overlay and that is shown on their projections as developed as institutional whereas the Summer Wind or Taylor Morrison tract hatched in the green striping is being planned as single-family. Similarly along Plez Morgan you will see some cyan baby blue with yellow hatching and they are anticipating that to be a commercial corridor so it is being planned as commercial corridor. He said as Mr. Roznovsky stated this is really just for planning purposes. In the event these do become something completely different it will be adopted on your zoning map. In that instance as they are planning this it is all very hypothetical as it could go one way or the other.

Tom Czulewicz said hypothetically how did so much of it get green.



Mr. Timms said it is all green just because that was the area of the planned development. It is an overlay of your existing zoning map. They are anticipating different developments coming in which are shown as the overlay hatching, the yellow dots, orange hatching, and green stripes.

Mr. Roznovsky said back in 2004 when the development agreement was put in place it established that PD zone which established that boundary at that time and since it is PD it allows for a mixed use so there are no rezonings that have happened because all the uses are allowed within that area.

John Fox said in encountering some of the improvements at FM 149 north there is a mixed storage facility an RV facility out there and some growth on the commercial corner tract someone is clearing, why would they not also show those areas as commercial from their city limits to the ETJ so they could lay out that plan.

Mr. Roznovsky said that would be more of a Future Land Use Plan.

John Fox asked if they could include the ETJ.

Mr. Roznovsky said they cannot include it. He said the impact fee is only applicable to what is in the city limits. Every time they annex they will look to do an update of the plan now that they have this new zone and new area. He said you cannot collect impact fees when it is not in your city so they are not included in the calculation and they cannot zone what is not in the City, but a Future Land Use Plan is for that purpose for in the planning area. It is not tied to zoning.

John Fox said because they cannot identify the potential on every corridor.

Tom Czulewicz said by what Mr. Roznovsky has said the planned development has to do with mixed use. He asked does a city park fit in with mixed use.

Mr. Roznovsky said it would but there is no requirement of the City to dedicate a city park. He said within the PD zone the City does not own that land to create a park. There is no city park planned in here as part of this.

Tom Czulewicz asked if all the land they are looking at is privately owned.

Mr. Roznovsky said correct. The blue property is either City owned, school district owned or church owned.

Daniel Gazda asked if the examination period is five or 10 years.

Mr. Roznovsky said it is a 10 year planning period and reviewed at least every five years. He said this committee will discuss this twice a year and make changes every time they annex.

Daniel Gazda asked just to be clear the denominator industrial has a proposed amount of connections that is changing the denominator for that.

Mr. Roznovsky said correct. He said in the study they are looking at 3,500 additional connections over a 10 year period as a combined residential. He said Bubble King is equivalent to 80 homes because of the amount of water they use. They have a higher tap and higher tap fees.

Daniel Gazda said he does not see an issue with it. There are only so many assumptions you can make off the current zoning.

Motion to approve the Land Use Assumptions map to be used for the City's impact fee update was made by Dan Gazda and seconded by Merriam Walker. All in favor. (5-0)

6. Review of the draft Impact Fee Analysis by the P&Z Commission serving as the Capital Improvements Advisory Committee.

Mr. Roznovsky said the goal tonight is to briefly walk through the draft Impact Fee Analysis. He said back in 2015 the City did a water and sewer master plan. Every time they do a feasibility study and throughout the year they update that plan. He said based on in 2015 they thought they were going to be using 600,000 gallons of water a day by 2020 and they were actually using 350,000. No decisions are made off of that plan it is a guideline. It is continually watched and looked at and when the need is there is when these projects go forward. A handful of projects have been completed and are on the list. The City recently received qualifications for the design of the new sewer plant expansion which is one of the top two projects both from a size and an impact standpoint to continue the City to grow.

Mr. Roznovsky said the City adopted these impact fees. He asked what are all the items they need to meet that growth. Based on the land use assumptions and their need, what all improvements in general do they need to serve that. He said they stopped the study and the previous time they stopped the study was at plants and major lines around the City. Not individual lift stations and things like that. They are solely single developer driven.

Mr. Roznovsky said Redbird Meadows was going to lift station 4, lift station 4 did not have the size and Redbird Meadows was going to cover that cost not everyone else because it is a very isolated one, but everyone is in sewer flow and all the new developments pay into the sewer plant. You then are allowed to go through by the State to say what percentage of that project is applicable for expansion. If you are expanding an eight inch line to a 12 inch line you can only count the cost differential and the capacity you gain, not the full cost of that line. The cost that you can recapture is equivalent to that capacity that you are gaining in that pipe, not the whole thing. The State then does one more thing, they cut it by 50 percent. Mr. Roznovsky said that is what is in here. Going through both the water and sewer systems, taking the Capital Improvement Plan, looking at the timing based on these developments, and working it into the structure.

Mr. Roznovsky said the high level assumption is you have 3,500 additional Equivalent Single Family Connections (ESFC) over that 10 year period. When you look at the cost of that it works out to \$3,988.00 per equivalent connection. Your current rate of the impact fees is \$3,639.00 so that is a \$350.00 increase or nine percent. Last time this was updated was 2019 and over that five year period a 10 percent increase in cost really is not bad compared to how everything else has changed.

Mr. Roznovsky said the big things are timing of projects, costs of projects, and changes to that project list, the major items which are bulleted on number five on that summary. The additional water plant number 4 is moving up with the future water plant with the elevated tower. That is the one where it is part of the Redbird Meadow's development and the City is getting two-ish

acres of land to be able to locate it over there by the railroad tracks and the high school to be able to help with the pressure and water.

Mr. Roznovsky said water plant number 2 improvements is a newer one added to the list. He said the City's well failed over six months ago so they are in design of that well replacement. The well will be upsized from 300 gallons a minute to 500 gallons a minute and that increase they can capture in the impact fee to help pay for some of that cost.

Bill Simpson asked where plant number 2 is located

Mr. Roznovsky said plant number 2 is Houston and Worsham Street south of the post office. Plant number 3 is on FM 1097 and plant 4 is the one on the west side which does not exist today.

Mr. Roznovsky said the other big ticket items are the wastewater plant projects now that the scopes of those projects have been better defined and over time that causes them adjusted. There have been a couple projects that have been completed off the list which is water plant number 3 improvements and the downtown waterline replacement. He said what you are allowed to do is with impact fees you can either pay the cost directly or you can use it to pay down debt on those projects. Even though those projects are complete they continue to include them in the calculations so your fee is based on paying off those projects. They do not just fall off the list once you complete them.

Mr. Roznovsky reviewed the highlights of the report of the official executive summary which includes the assumptions, the cost, and fees. What the City did back when it was created was they set the fee based on the meter size. A 5/8 inch meter which is a typical residential meter that is your one ESFC and they calculated it per meter size to make it easier for when the developer comes in it is not a calculation every time. You are requesting a four inch meter therefore your impact fee is going to be such and such an amount.

Mr. Roznovsky said following that you will see the summary of the fees. What is proposed and what is that delta between them is also shown on the executive summary and then it gets into the background of this project. The applicable law this applies to on page 7 talks about the land use assumptions, the evaluation, capital improvements and this report. This covers all the administrative items and how we got here.

Mr. Roznovsky said the summary reviews the water systems design criteria which involves what you are required to design your facilities on that includes background information, water demand assumptions and waste water is also covered.

Mr. Roznovsky said on page 12 there are a list of projects. These are the projects they start breaking down that are included in the fee. This gives the details and everything behind these documents are exhibits, cost estimates, and the actual breakdown of the cost. You will be able to see what is included with that scope for each of those projects.

Merriam Walker asked what happens if a major catastrophe happens in Montgomery. Will the projects get set aside and they move forward.

Mr. Roznovsky said you can only use the impact fees for the projects on this list.

Merriam Walker said there are 16 of them.

Mr. Roznovsky said correct. The law is very specific on what you can and cannot use impact fees for and if it is not on the list you cannot use those funds for it.

Merriam Walker asked how long ago did they decide on these projects.

Mr. Roznovsky said they were updated as of this week. He said the genesis of them were the master plan but a lot of the projects have changed out, the scope has changed, and the timing has changed based on development trends. Another important point with this is with development agreements that have come in is an impact fee credit. Mr. Roznovsky mentioned Redbird for example. One of the major items on this project is the Old Plantersville Road waterline loop. It is closing from SH 105 at the Methodist Church, (it is a 12-inch waterline) all the way down Old Plantersville, Old Dobbin-Plantersville, and ties back into Womack Cemetery. That project is on the plan so the fee is based on that. The developer is paying for that project solely himself and he will be given credit against his impact fees because instead of him paying just the water impact fee he is upping and running that cost to get that full \$900,000 project completed. Every time they get the chance they will do that because there is a 50 percent discount on these. Part of these current discussions with MISD is the waterline that they are required to pay. That is also on your Capital Improvement Plan of closing the loop on that side of the City. There is an agreement in place but there is potential of the same approach of giving credit on the impact fees since they are putting in that line.

Mr. Roznovsky said on page 17 there are the assumptions of the allowable recovery. Total project cost, the percent recoverable is the calculation of how much of this project is a capacity improvement versus how much of this project is rehabilitation or taking care of the capacity you already have. The sewer rehab project which is ongoing now the City is upsizing some of the lines so that portion of the project is reimbursable but just repairing the lines of the same size, that portion is not. The whole base of this is the developer is paying to increase capacity is how you get there.

Mr. Roznovsky said on the back of the sheet you see the amount that is allowed divided by the number of additional service units which is what the land use assumption is and then 50 percent to get your total maximum allowable fee for each. There is one for water and one for sewer within the reports. If you notice there is a different service unit count between the two it is actually on purpose because the Estates of Mia Lago are on septic. They are on the water system but not the sewer system so there is a delta there because of that. Following this are all the exhibits and this goes over all the locations behind the projects listed on the report followed by more detailed exhibits and cost estimates for each of those. The very last pages are detailed calculations.

Mr. Roznovsky said the impact fees will be going up nine percent over a five year period especially at the time they are in he thinks it is pretty reasonable. He said \$350.00 for a connection is not a deal killer. They want to keep their fees appropriate and collecting the maximum amount they can. With the amount of growth and the additional connections the City has seen over this period of time, yes costs have gone up but annexing Redbird and the apartment complex on the east side of town behind Pizza Shack, those projects drastically drive up that denominator and help keep the total fee in check.

Mr. Roznovsky asked for everyone to review it and they will discuss it next month. It will need to be recommended for approval to Council and then there will need to be a public hearing that will need to get published onto the website as it needs to be available for people to review. A

public hearing is called on these assumptions and on this impact fee and then Council will ultimately approve it and it will go into effect.

Mr. Roznovsky said Planning and Zoning was not directly involved in the process previously and most of you were not on Planning and Zoning at that time. The way that impact fees are assessed is at time of platting so when a project plats is when they are assessed the fee. The way the ordinance is written is that the time that they actually make the physical connection is when it is due.

Mr. Roznovsky said another thing the City has been doing over the past couple of years is when we have these large developers like Pulte and Redbird coming in is putting in the development agreement prepayment. He said when they plat they pay the entirety of it which helps with the cash flow of these projects where Pulte has not made one visible connection but they have platted so they paid \$240,000 into the impact fee fund and they will do it with the subsequent sections as well. These funds are great but obviously they are collecting them as they are connecting and that does not give you time to actually complete the work. Working that in, getting developers to fund the projects is part of their development given their credit on the impact fees where appropriate and using the impact fees to help pay off debt as the City gets CO's or other funding mechanisms to help pay it off to reduce the burden on the taxpayers.

**COMMISSION INQUIRY:**

No inquiries at this time.

**ADJOURNMENT**

Tom Czulewicz moved to adjourn the meeting at 6:59 p.m. Daniel Gazda seconded the motion. All in favor. (5-0)

Prepared by: \_\_\_\_\_ Date approved: \_\_\_\_\_  
Diana Titus, Deputy City Secretary

\_\_\_\_\_  
Bill Simpson, Vice-Chairman

Attest: \_\_\_\_\_  
Nici Browe, TMRC, City Secretary