



**CITY COUNCIL WORKSHOP MINUTES
CITY OF ODESSA, TEXAS**

AUGUST 27, 2019

On August 27, 2019, a work session meeting of the Odessa City Council was held at 4:00 p.m., in the fifth floor conference room, City Hall, 411 West 8th Street, Odessa, Texas.

City Council present: Mayor David R. Turner; Council members: Dewey Bryant, District Two; Detra White, District Three; Tom Sprawls, District Four; Mari Willis, District Five and Peggy Dean, At-Large.

City Council absent: Council member Malcolm Hamilton, District One.

Others present: Michael Marrero, City Manager; Norma Aguilar-Grimaldo, City Secretary; Gary Landers, Interim City Attorney; Cindy Muncy, Interim City Manager; Phillip Urrutia, Assistant City Manager and others.

Mayor Turner called the meeting to order and the following proceedings were held:

Council member Willis gave the invocation.

Discuss Impact Fees and other funding options. Tom Kerr, Director of Public Works/Utilities, introduced Jeff Whitaker and John Atkins, Kimley Horn.

Mr. Whitaker provided an overview of the impact funding needs that included existing maintenance operations and reconstruction. It also included growth needs. There were many types of funding options that included property tax, bonds, utility and impact fees. The impact fees was to be proportional. He provided the history of the impact fee. The fee was for consistency, flexibility, transparency, and faster development growth. He explained the impact fee. He stated it was a one-time fee. Items payable with impact fees included construction costs, utility line upsizing, land acquisition costs, and study and update costs. Items not payable with impact fees was operation and maintenance of existing or new facilities and an upgrade to existing development. He discussed the service areas. He reviewed the land use assumptions, which established the infrastructure demands and master plans. He stated that the Capital Improvements Plan identified the planning for a 10-year impact fee. Funds could be recovered from completed projects. Mr. Whitaker explained the impact fee basics with the roadways and water. He clarified the impact fees calculation. Impact fees checks and balances were based on the master plan adopted and the Capital Improvements Advisory Committee. He provided tools for a successful project, which included council support, stakeholder involvement, updated master plans, and good comparison data. Mr. Whitaker summarized that impact fees were future users, one-time fee, and growth dependent. The fees were collected at the building permit process after a one-year grace period. He explained the City of Midland's impact fees that was passed. The Advisory Committee provided recognition of needs. Council member Dean understood that the impact fees were paid after the permit was made. Mr. Whitaker explained how the fees worked with single-family homes. The City would identify where the funds would be spent. The fees could be used to be proactive as opposed to reactive. Mr. Kerr stated that it was difficult to build Line P & Q without the funding. Impact fees could be used as a funding mechanism. Council member Bryant was concerned on the mechanism for funding.

Mr. Atkins explained that the development could pay their fair share by state statute. Impact fees would be generating funds to offset costs. The funds were received when there was a building permit. The impact fee was identified during the platting process. The impact fee may affect the cost of the home. Mr. Kerr stated that the costs must be paid but the method determined how it was assessed. Discussion was held on different scenarios of development. Council sets the fee. Council member Bryant wanted simplicity and equitable. He suggested paying the fee during the permit process. The structure could be made proportional to the commercial and residential.

Line P and Q was used as a discussion for the impact fees. Mr. Atkins explained how the impact fees could pay for Line P and Q. Mr. Kerr elaborated on the funding, which was based on the methodology of Council approval. Mr. Kerr stated that the growth was very robust. There were needs of reconstruction of old infrastructure. The impact fees would assist with funding in new growth and other funds would not be taken away to replace old infrastructure.

Mr. Whitaker explained a street maintenance fee, which is a monthly fee and a stable funding source. He stated it was for existing users and not growth dependent. It was collected on the utility bill once implemented. He compared the street maintenance fee and the impact fee. Other funding sources were property taxes, bond, Tax Increment Reinvestment Zone, Transportation Reinvestment Zone, 380 agreement, Public Improvement Districts, Municipal Utility District, and Public Utility District. He stated that impact fees were not the only way to fund. Mr. Marrero stated that this was an option to consider. Other options could be further researched.

There was no other business, the meeting adjourned at 5:10 p.m.

ATTEST:

APPROVED:

Norma Aguilar-Grimaldo, TRMC, CMC
City Secretary

David R. Turner
Mayor