Legislation Details (With Text)

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Title:	Presentation on proposed policies and procedures for obtaining and applying offsets and credits against roadway impact fees.		
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Attachments:	1. New Braunfels Policies and Procedures for Offset Agreements 2018_07_02		

Date	Ver.	Action By	Action	Result
7/9/2018	2	City Council		

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SUBJECT:

Presentation on proposed policies and procedures for obtaining and applying offsets and credits against roadway impact fees.

BACKGROUND / RATIONALE:

In 2007, the City of New Braunfels adopted Ordinance No. 2007-19, which was codified in the Code of Ordinances, in Chapter 100 entitled “Roadway Impact Fees”. Section 100-14 specifies the general requirements and procedures for an owner or developer to obtain an offset or credit for roadway improvements. *The city may offset the present value of system improvements that have been dedicated to and received by the city.* System improvements are roadway improvements identified in the Roadway Impact Fee Capital Improvement Program.

Section 100-14 outlines the following limitations for offsets and credits against roadway impact fees. Additional policies and procedures promulgated by the city may be adopted as administrative guidelines.

1. No offset or credit shall be given for the dedication or construction of improvements required by a traffic impact analysis, unless the city engineer determines that such improvements are not development specific and add capacity to the roadway beyond the benefit of the development.
2. Unit costs shall not exceed the actual cost of the improvements as approved by the public works director.
3. Offset or credit shall lapse if it has not been exhausted within ten years from the date of the plat approval or otherwise designated by agreement.
4. In no event will the city reimburse the property owner or developer for an offset or credit when no impact fees can be collected or for any value exceeding the total impact fees due for the

development, unless agreed by the city council.

5. The value of credit for capital improvements made by the developer shall be approved by the public works director.
6. The value of credit for dedicated right-of-way shall be the greater of value of the dedicated land as shown on the appraisals district's rolls or the value as determined by appraisal hired by the city and reimbursed by the owner as of the date of dedication.

The code specifies that an applicant for new development must apply for an offset or credit against impact fees due for the development at or before the time of fee payment, unless the city council agrees to a different time. The applicant shall file a petition with the public works director on a form provided for such purpose and the director must provide an applicant a decision on the offset or credit request.

The intent is to formally establish the policies and procedures for obtaining offsets and credits against impact fees. Many property owners and developers have had difficulty understanding the city's requirements, particularly the timing and in instances where platting takes place over time in multiple phases. The policies and procedures will provide a better understanding of offset eligibility and what is information is required to process a request. Furthermore, it will assist staff in processing requests in a timely manner.

The presentation is intended to provide an introduction and steps to establishing the policies and procedures for offsetting roadway impact fees. The policies and procedures will be presented for action at the July 23, 2018 City Council meeting.

Roadway impact fees are assessed at final plat and paid at time of building permit; therefore, an offset agreement is created after final plat approval. In many cases, the property owner or developer requests offsets during earlier phases of development prior to filing a final plat or during preliminary plat or master plan. The city can determine if the facilities are eligible for offsets at the time of request but cannot enter in an agreement until the final plat, traffic impact analysis and construction plans are approved.

The proposed policies and procedures will supplement the roadway impact fee ordinance and provide information required to determine eligibility and develop an agreement. It will address the relationship to a proportionality appeal, changes to impact fee rates, method of applying offsets and master plan subdivisions.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

2006 New Braunfels Comprehensive Plan: Transportation Goal 21: Provide a system of convenient and safe transportation facilities through comprehensive, cooperative and continuing transportation system planning and development

FISCAL IMPACT:

N/A

COMMITTEE RECOMMENDATION:

The proposed policies and procedures for obtaining and applying offsets and credits against roadway impact fees was presented to the Roadway Impact Fee Advisory Committee on March 6, 2018 and April 3, 2018. The committee unanimously approved a recommendation to City Council to accept the proposed policies and procedures at their meeting on April 3, 2018.

STAFF RECOMMENDATION:

Staff recommends eventual approval of the proposed policies and procedures for obtaining and applying offsets and credits against roadway impact fees.

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