



## **Oversight Committee**

Minutes of Regular Meeting: December 18, 2012

### ATTENDANCE AT MEETING:

Theldon R. Branch, III, Chair - **Present**  
Ann Lents, Vice Chair - Present  
Frances Castaneda Dyess, Working Group Chair - **Present**  
Dwight Boykins, Working Group Chair - **Present**  
Edward Taravella - **Present**  
C.P. "Chip" Bryan - Absent, with notice  
Bert Keller, Working Group Chair - **Present**  
Gilbert Herrera, Working Group Chair - **Present**  
Jeff Ross, Working Group Chair - **Present**  
Council Member Oliver Pennington - Absent

### **1. Call to Order / Welcome**

Chairman Theldon Branch called the meeting of the ReBuild Houston Oversight Committee to order at 10:40 a.m. Council members visiting included Steven Costello, Jerry Davis and Larry Green.

### **2. Approval of the Minutes**

Motion was made by Frances Castaneda Dyess for approval of minutes. Mr. Bert Keller seconded the motion. Mr. Jeff Ross requested his comment regarding collection rates be placed in the minutes under Item 5. Motion carried.

### 3. Impact Fees for Drainage

Mr. Mark Loethen, Deputy Director of Public Works and Engineering over the Planning and Development Services Division made a presentation on “Drainage Impact Fees” (attached). Mr. Loethen began by stating there are two separate public hearings. One public hearing for land use assumptions and a capital improvement program related to a proposed drainage fee and another public hearing related to the maximum drainage impact fee that can be adopted. The capital improvement plan for the drainage impact fee study is named the “Drainage Impact Fee Improvement Program (DIFIP)” to differentiate it from the City’s CIP. The focus of the presentation was land use assumptions and the DIFIP specific to a proposed drainage impact fee. Mr. Loethen stated that a link to the Drainage Impact Fee study is available on the ReBuildHouston.org website. The reason for the drainage impact fee study authorized by City Council was in response to the ReBuild Houston charter amendment specific to “developer impact fees”. It was explained that Impact Fees are designed for growth to pay for growth and is a one-time fee. The implementation of impact fees is laid out in the Texas Local Government Code (LGC), Chapter 395, and is allowed for water, wastewater, drainage and roadways. The City has had water and wastewater impact fees since 1990.

Other points made included: Fees are based on the impact to a system; Unit of measure proposed for drainage is 1,000 square feet of increased impervious cover; and the Planning Commission serves as the City’s Impact Fee Advisory Committee. A tentative adoption schedule that is in conformance with Chapter 395 was provided in the presentation. Council may consider the adoption of an Impact Fee ordinance as early as March 2013.

Mr. Boykins asked if the DIFIP applies to the county. Mr. Loethen replied that it is only for the City’s corporate limits. Mr. Taravella asked about the calculated fees in the report and what does that mean. Mr. Loethen responded that the report indicates the maximum fee allowed by State law which is 50% of the calculated total estimated cost. Ms. Lents inquired about growth as a result of redevelopment since green field growth is more prominent. Mr. Loethen stated that it will need to be a Council policy decision regarding redevelopment. (Note: PWE’s recommendation will be for the impact fee to be assessed to “new development” as defined in Texas Local Government Code, Section 395.) This study is at a conceptual planning level. However, the plan does show an amount for incremental service unit growth that could be applied – but it is a policy question. Mr. Taravella asked how the projects and cost estimates were derived. Mr. Loethen responded that the comprehensive drainage plan was used as a tool – for requirements looking out to 2040 – and then back up to the cost amount attributed to the growth estimated for the first 10 years – as stipulated in the Texas LGC. The costs are based primarily on the size of the trunk lines and the attributes that go with them. The funding received must be utilized within 10 years or it must be refunded and it must be spent in the service area it was collected for. Director Krueger said each service area will be set up by cost center. The money, per State law, will be reported semi-annually to the advisory committee for disposition going forward – similar to the water & wastewater impact fees.

Mr. Herrera asked how much impervious cover is placed on an average lot (60' x 100') and why areas that have no infrastructure are being tagged. It does not seem equitable. Mr. Loethen responded that an average lot is probably about 50% impervious once developed. This process is similar to what is utilized for water and wastewater fees and is in accordance with State law. With this approach, we are trying to get ahead of growth. Mr. Ross stated that this is an incentive for development in the undeveloped areas. In the scheme of what they now pay for water and wastewater fees, this amount is small. Ms. Lents pointed out that because of the maximum fee allowed by State law of 50%, one could say the City picks up a part of the infrastructure fee.

Mr. Taravella stated that it might be better to pay a higher fee in lieu of having on-site detention requirements. Mr. Ross asked if detention was included in the cost analysis. Per Mr. Loethen, only where we had sub-regional detention identified. The City still has the same detention requirement. Mr. Krueger added that detention will take the peaks off the volume of what the system receives. The need for the trunk system is not reduced. Mr. Taravella asked what the main questions were of the Planning Commission. Mr. Loethen said they asked about why the service areas were bounded as they were. The answer is that State law uses watershed boundaries and it is consistent with boundaries we have used in the past. Also, if you get too small of a service area, then funding is too compartmentalized.

#### **4. FY 2014 – 2023 Draft Plan Update**

Mr. Rudick informed the committee of the importance of the January meeting with the release of the Draft FY 2014 – 2023 Plan which will include the 5 year CIP. PWE will release the Draft plan to the Committee members on about January 22, 2013 in advance of the January 29, 2013 Oversight Committee meeting. The District CIP Town Hall meetings will probably be held in February and March 2013 and staff will meet with each of the district council members prior to their respective town hall meeting. The public comment period will likely end at the end of March. After the public process, PWE will submit the final draft of the CIP to the Finance Department for them to deliver to the Mayor.

Mr. Taravella asked when it was anticipated to run the first batch of candidate projects through the Candidate Project Prioritization Scoring (CPPS). Mr. Rudick stated that we are going through the process right now. The Director said the candidate projects recommended will be listed in the draft CIP. Ms. Lents asked if the committee could see the projects that have gone through the scoring process. The Director responded affirmatively. The new starts will be added into the proposed FY 14 – 18 CIP and you will be able to see the candidate projects that did not make the cut.

## 5. Executive Report

The following information was presented by Mr. Rudick:

- The Street Surface Assessment Vehicle (SSAV) is nearing completion of its second run of the thoroughfare and collector streets and will be completed prior to the draft 10 year plan's release.
- As addressed in last month's meeting regarding the "+5 Year Plan", meetings with individual district council member meetings have been set up by Council TTI Committee Chair Noriega and Council BFA Committee Chair Costello and the meetings have begun. The purpose of the meetings is to receive each council member's input and concerns with the plan and methodology. To date, we have met with two district council members. Once all meetings have been completed, Mr. Rudick will update the Committee.
- The Drainage Utility Fees Collections / Expenditures chart (as of December 5, 2012) was distributed (attached).

## 6. Old Business/New Business

Mr. Boykins stated that he is glad that that the candidate projects are being processed and moving forward. Director Krueger added that we continue to deliver drainage and street improvement projects. Since ReBuild Houston was approved by the voters in 2010, we have initiated 15 new storm drainage projects and nearly 50 street improvement projects. ReBuild Houston will allow us to improve at that level and start to gradually increase - and we are continuing to finish projects that were already started. Those current CIP projects are addressing needs in the City.

Mr. Taravella asked what we are doing to improve our collection rates. Mr. Rudick responded that collection rates are improving as PWE continues to tie drainage accounts with water/wastewater accounts. Director Krueger added that PWE intends to hire two collection agencies.

Council member Larry Green thanked the Oversight Committee for the work that they have been doing.

Mr. Boykins recognized and thanked Chairman Branch for his leadership.

## 7. Public Comments – None

## 8. Adjourn: Motion made and approved to adjourn the meeting at 12:02 p.m.

Attachments:

- Drainage Impact Fee Presentation
- Drainage Utility Fee Collections/Expenditures as of 12/5/12



# DRAINAGE IMPACT FEES



December 18, 2012

ReBuild Houston Oversight Committee

# Drainage Impact Fee Overview

## December 18, 2012 Presentation

- ReBuild Houston
- Impact Fee Basics
- Service Areas
- Land Use Assumptions
- Improvements Plan

## January 2013 Presentation

- Maximum Fee Calculations
- Recommended Impact Fee



# REBUILD HOUSTON



## 4 Funding Sources

NEW

### Drainage Utility Fee

To be used for:

- Drainage projects
- Street projects that include drainage improvements
- Operation & Maintenance for drainage infrastructure (ditch cleaning, re-grading etc.)
- Expenses for administering the drainage fee

NEW

### Developer Impact Fee

To be used for:

- Drainage projects providing capacity to offset future development
- Street projects providing added capacity for future development

EXISTING

### Ad Valorem Taxes (Property Taxes)

To be used for:

- Street projects with or without drainage improvements
- Drainage projects
- Traffic signalization projects
- Sidewalk projects
- Operation & Maintenance for streets, traffic & drainage

EXISTING

### Third-Party Funds (Metro, TxDOT, Federal Grants)

To be used for:

- Street projects
- Drainage projects
- Operation & Maintenance for streets & traffic
- Sidewalk projects
- Hike & Bike Trails
- Traffic signalization projects
- Additional Uses

# Impact Fee Basics

- Growth pays for Growth
  - Chapter 395 of Texas LGC
    - Water, Wastewater, Drainage, and Roadway allowed in Texas
  - One-time fee for new development
  - Recovers costs to serve new development
  - Water / Wastewater Impact Fees in Houston since 1990
- Kimley-Horn and Associates, Inc. (KHA) retained to prepare Drainage Impact Fee Report



# Impact Fee Basics (cont.)

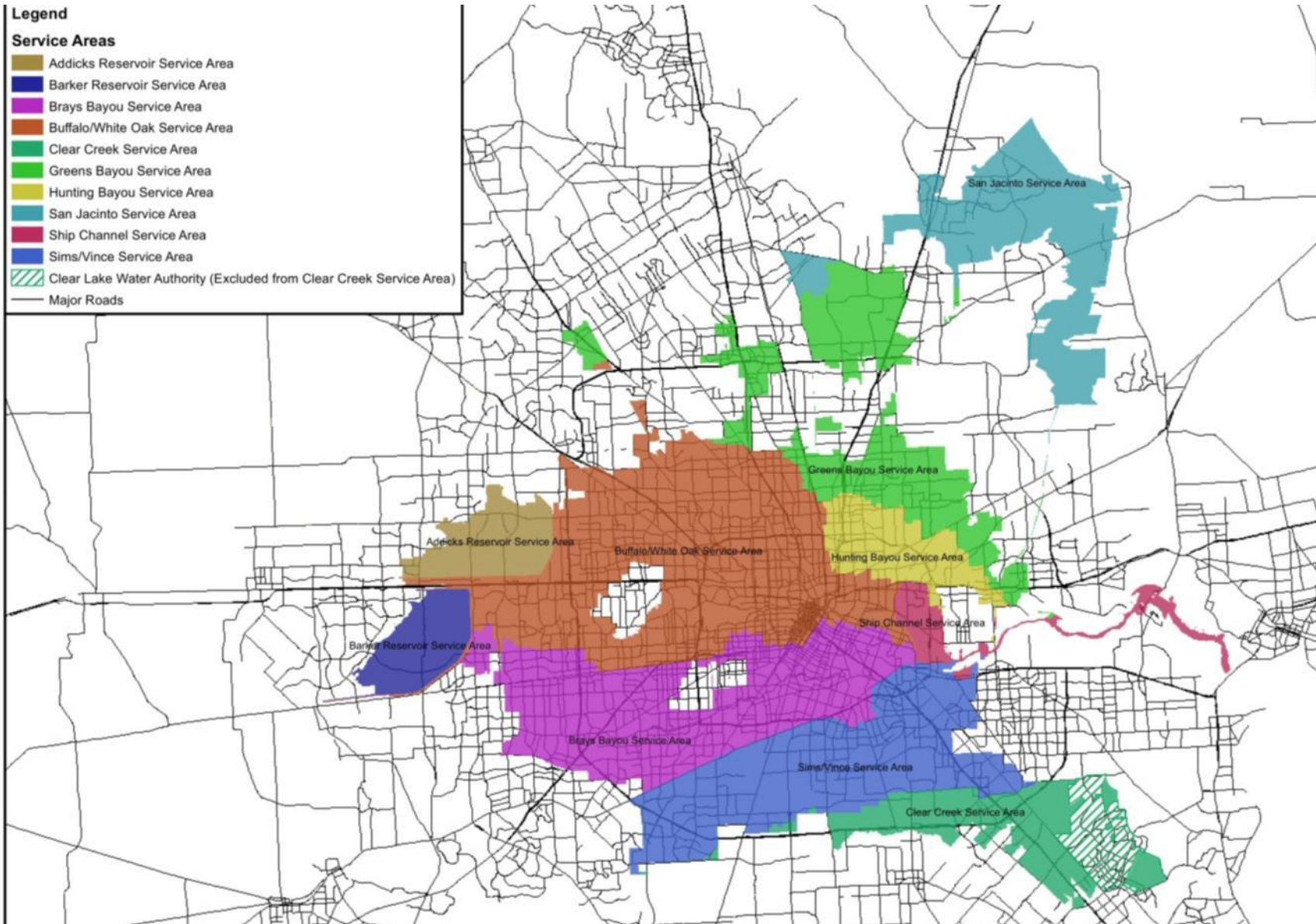
- Fees are calculated based on impact on the system
  - ▣ Water = amount of water used [Service Unit = ESFC(250 gpd)]
  - ▣ Wastewater = amount of sewage discharged [Service Unit = ESFC(250 gpd)]
  - ▣ Drainage = increase in runoff (impervious area) [Service Unit = 1,000 sf Increased Impervious Cover]
- Planning Commission serves as Impact Fee Advisory Committee
  - ▣ Chapter 395, Local Government Code

# Service Areas (SA)

## Legend

### Service Areas

- Addicks Reservoir Service Area
- Barker Reservoir Service Area
- Brays Bayou Service Area
- Buffalo/White Oak Service Area
- Clear Creek Service Area
- Greens Bayou Service Area
- Hunting Bayou Service Area
- San Jacinto Service Area
- Ship Channel Service Area
- Sims/Vince Service Area
- Clear Lake Water Authority (Excluded from Clear Creek Service Area)
- Major Roads



# Land Use Assumptions

**Table 2: Service Area Impervious Projections**

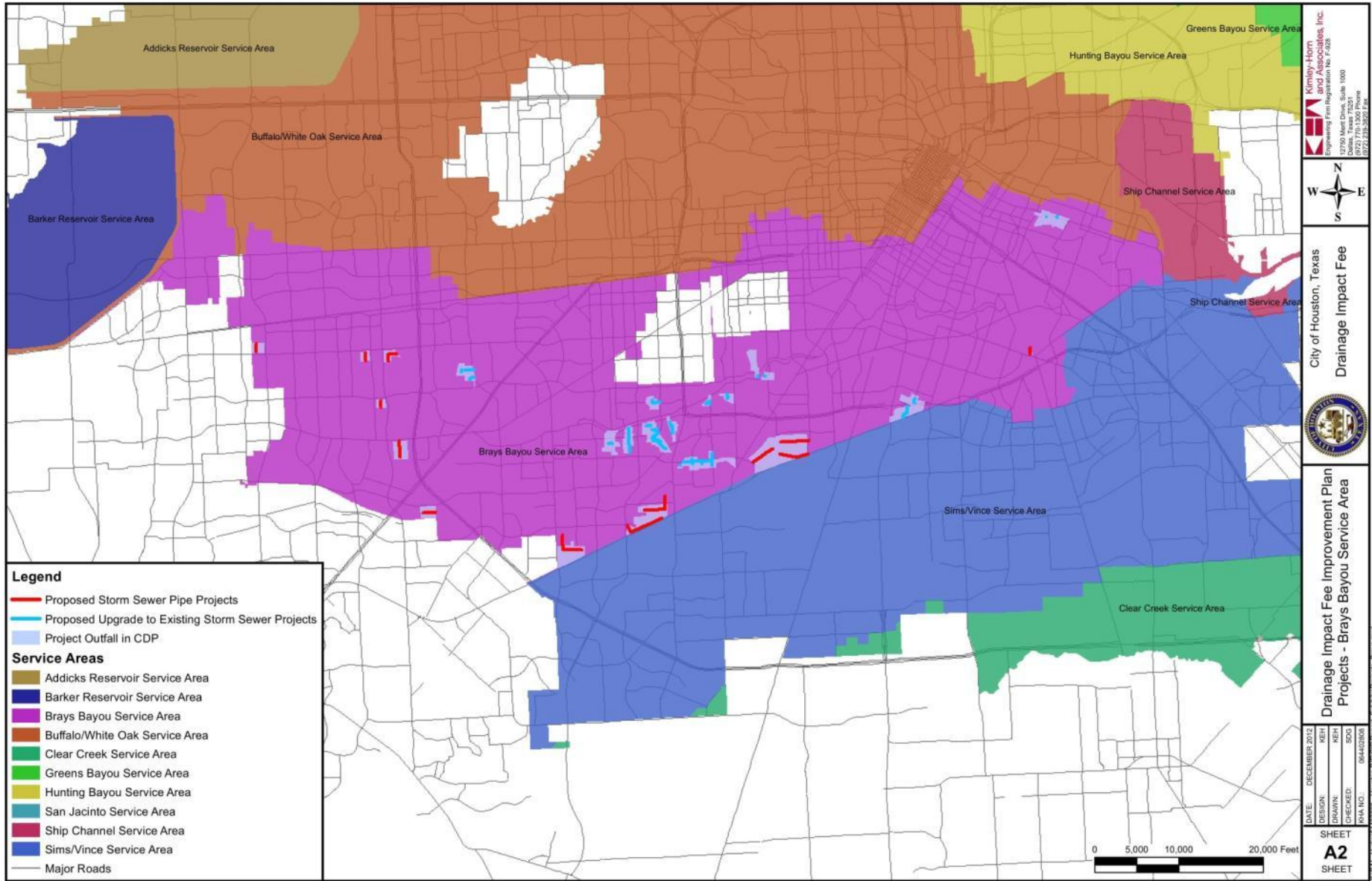
Service Area	Year	Total Area		Total Impervious Area		Total Percent Impervious (%)	HGAC Projections (Total)	
		(ft <sup>2</sup> )	(acres)	(ft <sup>2</sup> )	(acres)		Households	Jobs
Addicks	2012	599,401,371	13,760	11,600,825	266	1.94%	2,129	767
	2022			13,551,162	311	2.26%	2,499	843
	2040			15,826,322	363	2.64%	2,918	987
Barker	2012	525,759,752	12,070	5,898,035	135	1.12%	497	269
	2022			8,024,934	184	1.53%	690	282
	2040			18,764,495	431	3.57%	1,642	485
Brays Bayou	2012	2,722,767,642	62,506	1,144,876,308	26,283	42.05%	266,624	456,870
	2022			1,222,283,000	28,060	44.89%	280,924	519,973
	2040			1,333,502,000	30,613	48.98%	294,304	597,742
Buffalo / White Oak	2012	4,202,288,415	96,471	1,653,534,157	37,960	39.35%	327,817	871,484
	2022			1,833,014,500	42,080	43.62%	351,031	955,437
	2040			2,043,199,500	46,905	48.62%	378,455	1,097,062
Clear Creek	2012	1,050,562,623	24,118	250,844,388	5,759	23.88%	24,475	33,589
	2022			276,733,800	6,353	26.34%	34,533	38,631
	2040			397,105,200	9,116	37.80%	49,863	54,404
Greens Bayou	2012	1,961,360,260	45,027	505,122,640	11,596	25.75%	56,982	110,149
	2022			633,454,200	14,542	32.30%	68,229	124,489
	2040			815,075,400	18,712	41.56%	88,013	159,443
Hunting Bayou	2012	713,952,564	16,390	252,201,944	5,790	35.32%	26,861	39,430
	2022			276,599,400	6,350	38.74%	31,336	49,213
	2040			353,579,400	8,117	49.52%	37,944	69,953
San Jacinto	2012	1,836,978,764	42,171	181,706,197	4,171	9.89%	26,066	19,067
	2022			247,171,200	5,674	13.46%	34,300	22,984
	2040			332,245,200	7,627	18.09%	46,376	29,994
Ship Chanel	2012	374,829,944	8,605	118,988,391	2,732	31.74%	5,571	16,127
	2022			148,063,142	3,399	39.50%	6,876	20,186
	2040			190,130,611	4,365	50.72%	9,094	25,365
Sims / Vince	2012	2,376,301,803	54,552	656,666,633	15,075	27.63%	97,233	98,800
	2022			870,868,800	19,992	36.65%	108,129	123,386
	2040			1,106,288,400	25,397	46.56%	131,267	177,048

# Land Use Assumptions (cont.)

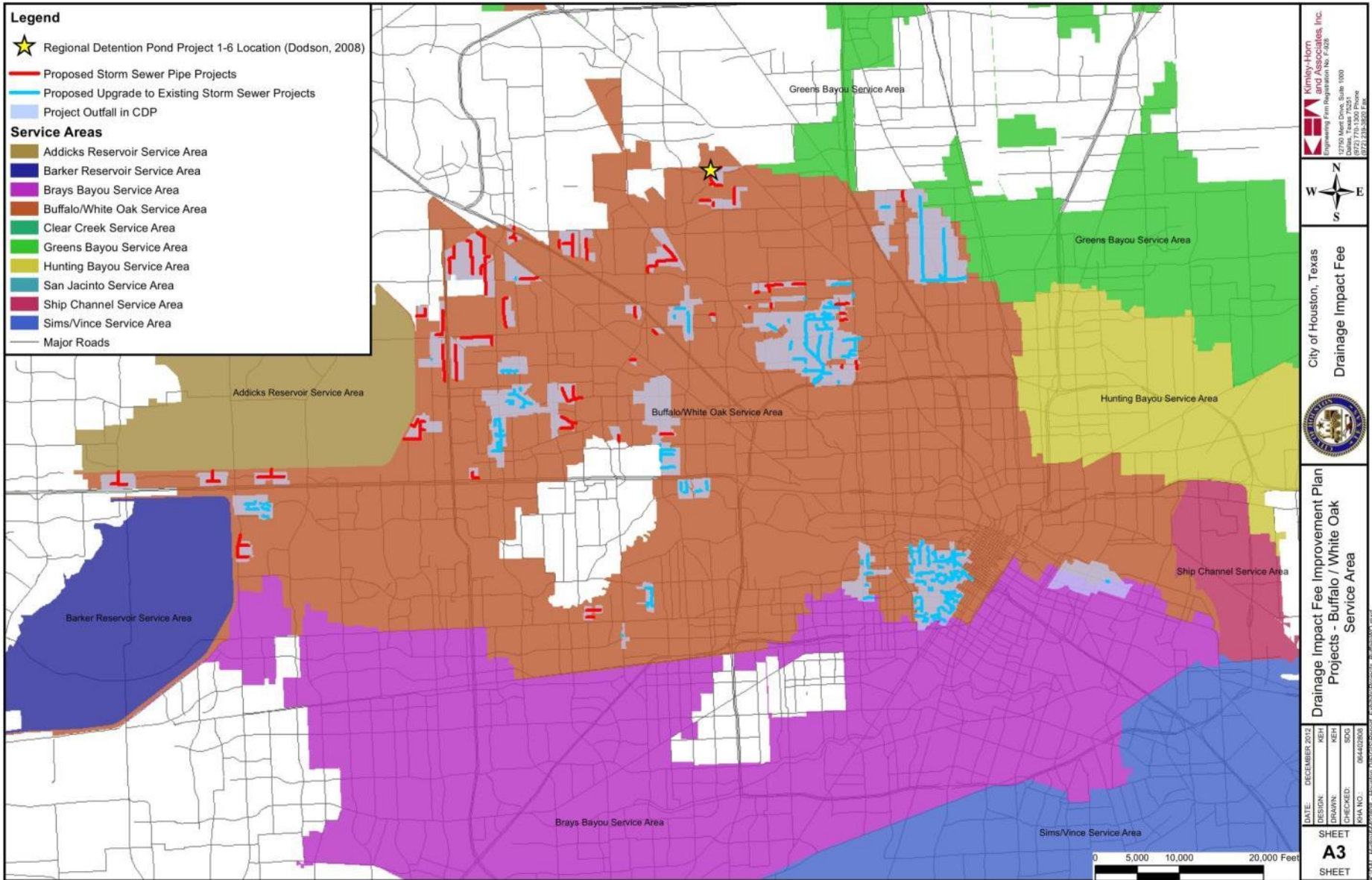
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	2022			1,222,283,000	28,060	44.89%	280,924	519,973
	2040			1,333,502,000	30,613	48.98%	294,304	597,742
Buffalo / White Oak	2012	4,202,288,415	96,471	1,653,534,157	37,960	39.35%	327,817	871,484
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Hunting Bayou	2012	713,952,564	16,390	252,201,944	5,790	35.32%	26,861	39,430
	2022			276,599,400	6,350	38.74%	31,336	49,213
	2040			353,579,400	8,117	49.52%	37,944	69,953
San Jacinto	2012	1,836,978,764	42,171	181,706,197	4,171	9.89%	26,066	19,067
	2022			247,171,200	5,674	13.46%	34,300	22,984
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# Drainage Impact Fee Improvements Plan (DIFIP)



# Drainage Impact Fee Improvements Plan (DIFIP)



**Kinley-Horn**  
 Engineering Firm Registration No. F-228  
 2750 West Loop, Suite 1000  
 Dallas, Texas 75201  
 (972) 216-3000  
 (972) 216-3000 FAX



City of Houston, Texas  
 Drainage Impact Fee



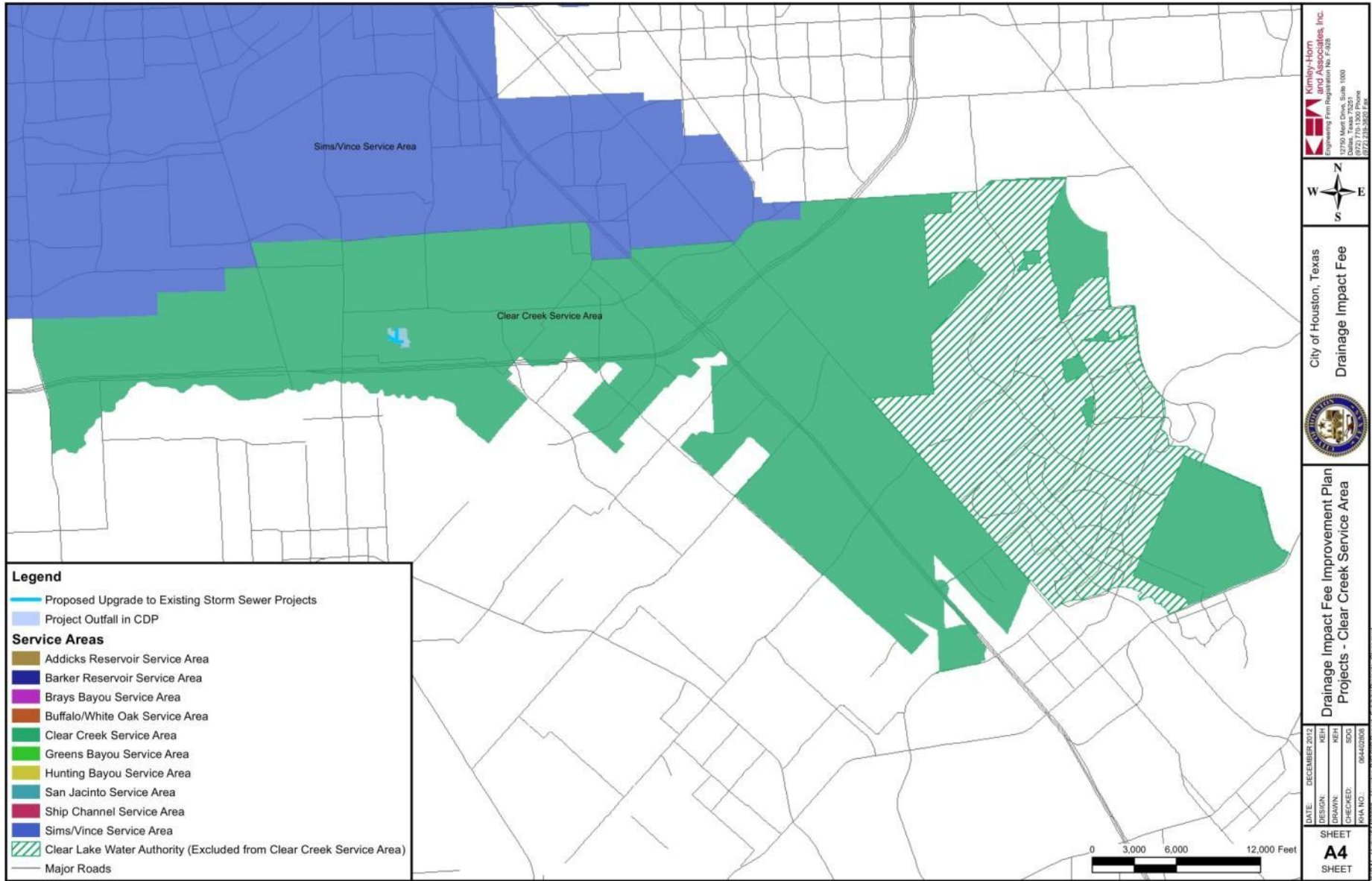
Drainage Impact Fee Improvement Plan  
 Projects - Buffalo / White Oak  
 Service Area

DATE:	DECEMBER 2012
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DRAWN:	KEH
CHECKED:	SDG
PIA NO.:	044422008

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# Drainage Impact Fee Improvements Plan (DIFIP)



**Legend**

- Proposed Upgrade to Existing Storm Sewer Projects
- Project Outfall in CDP

**Service Areas**

- Addicks Reservoir Service Area
- Barker Reservoir Service Area
- Brays Bayou Service Area
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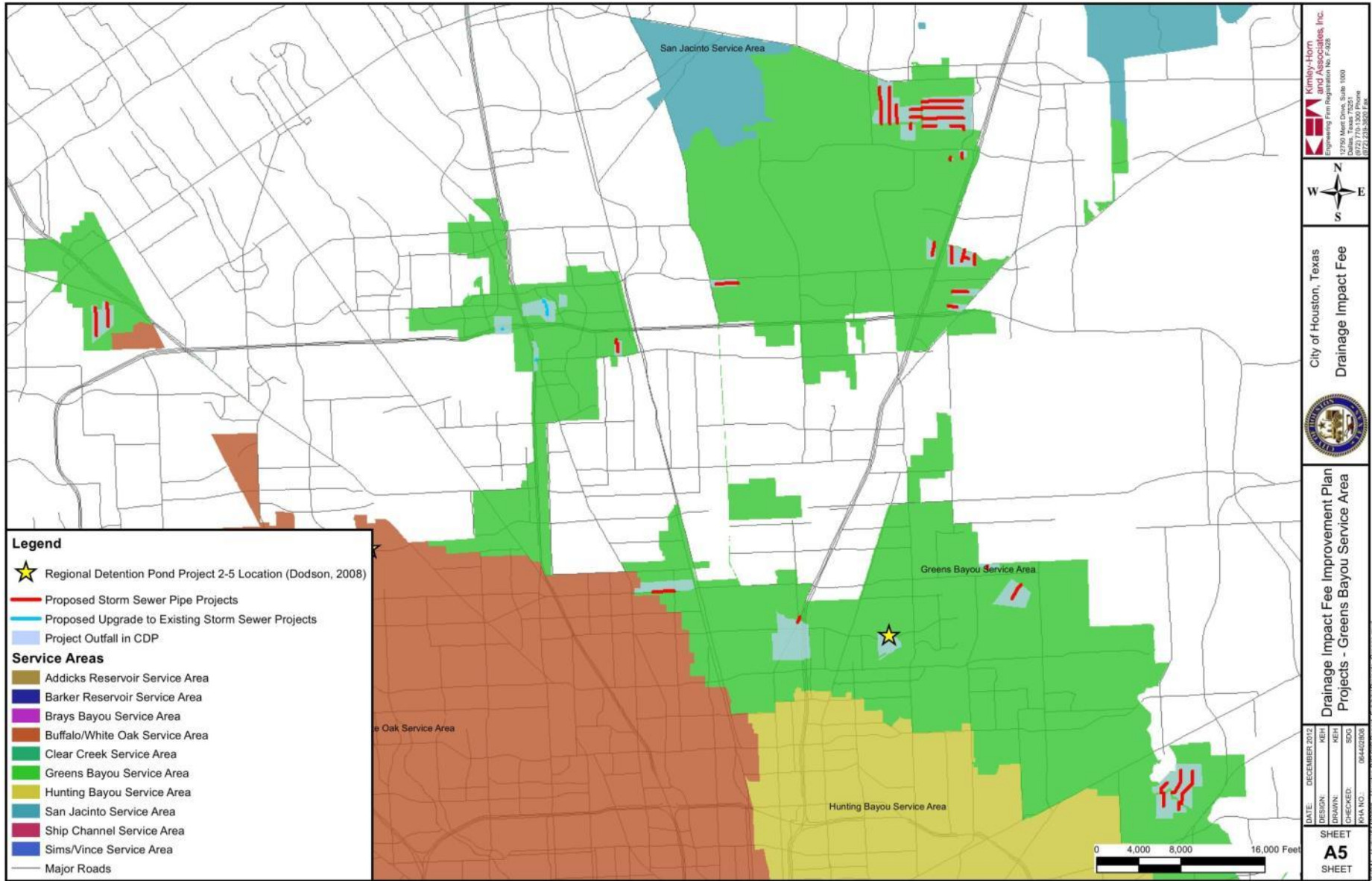
Drainage Impact Fee Improvement Plan  
 Projects - Clear Creek Service Area

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# Drainage Impact Fee Improvements Plan (DIFIP)



**Legend**

- ★ Regional Detention Pond Project 2-5 Location (Dodson, 2008)
- Proposed Storm Sewer Pipe Projects
- Proposed Upgrade to Existing Storm Sewer Projects
- Project Outfall in CDP

**Service Areas**

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 Drainage Impact Fee

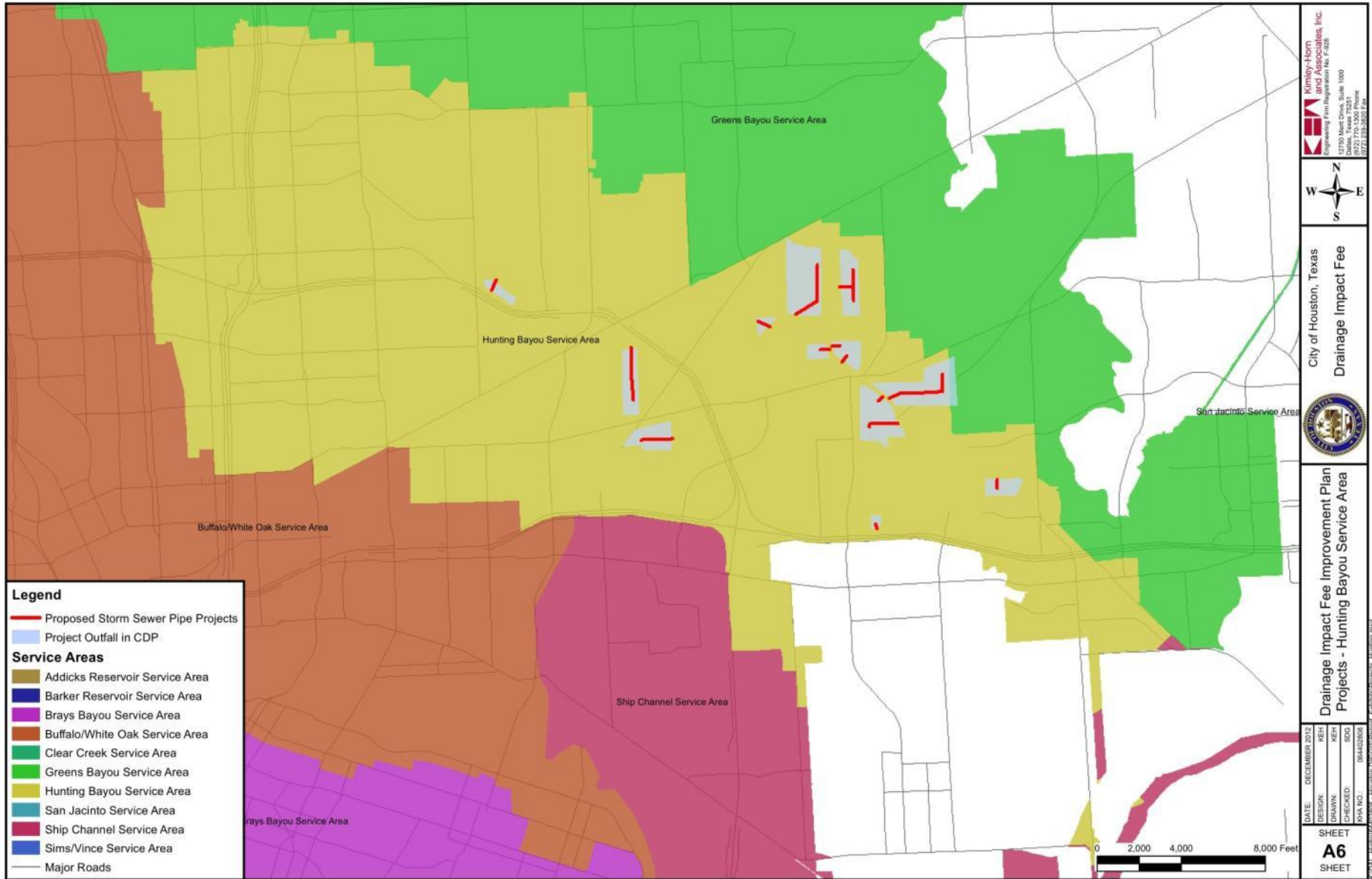
Drainage Impact Fee Improvement Plan  
 Projects - Greens Bayou Service Area

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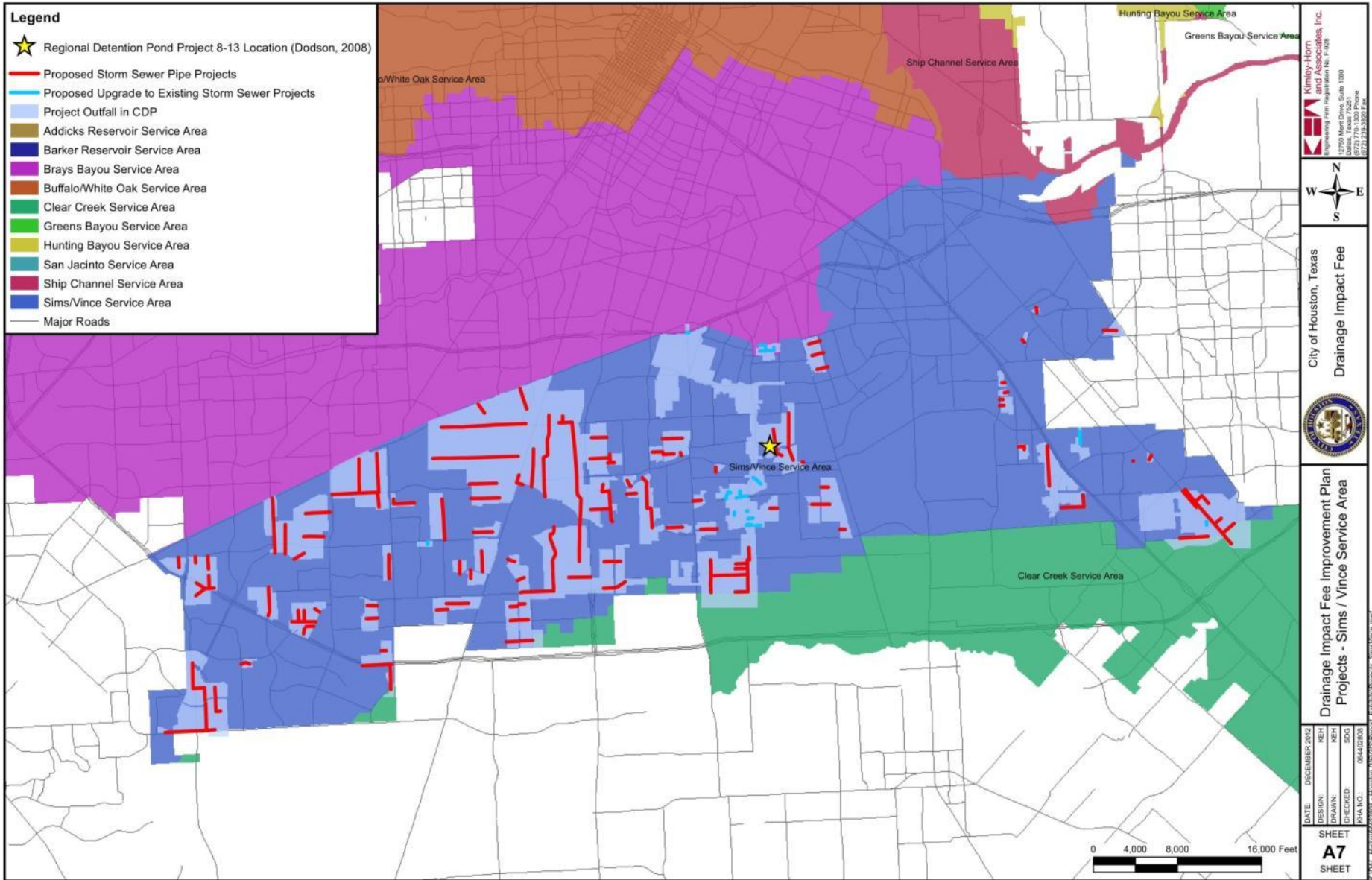
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# Drainage Impact Fee Improvements Plan (DIFIP)



# Drainage Impact Fee Improvements Plan (DIFIP)



# Maximum Impact Fee and Ordinance Adoption

- Impact Fee adoption requires a two-step public hearing process

## PART II

- Study determines the Maximum assessable Fee allowed
- Advisory committee reviews Max. Fee
- Public Hearing on Max. Fee
- City Council sets actual collection rate

# Maximum Drainage Impact Fee

**Table 7: Drainage Impact Fee Improvements Projects –  
Maximum Assessable Fee per Service Unit**

Service Area	Total Costs Attributable to Future Growth (From Appendix C)	% Attributable to 10-Year Growth (from Table 5)	Total Cost Attributable to 10-Year Growth (LINE 1)	Maximum Assessable Fee per Service Area (LINE 3)	Number of Service Units (LINE 4; from Table 4)	Cost of DIFIP per Service Unit Attributable to 10-Year Growth (LINE 5)
Addicks Reservoir	\$0	46.16%	\$0	\$0	1,950.337	\$0.00/SU
Barker Reservoir	\$0	16.53%	\$0	\$0	2,126.899	\$0.00/SU
Brays Bayou	\$3,254,287	41.04%	\$1,335,559	\$667,780	77,406.692	\$8.63/SU
Buffalo / White Oak	\$12,769,312	46.06%	\$5,881,545	\$2,940,773	179,480.343	\$16.38/SU
Clear Creek	\$114,691	17.70%	\$20,300	\$10,150	25,889.412	\$0.39/SU
Greens Bayou	\$8,316,233	41.40%	\$3,442,920	\$1,721,460	128,331.560	\$13.41/SU
Hunting Bayou	\$2,076,154	24.07%	\$499,730	\$249,865	24,397.456	\$10.24/SU
San Jacinto	\$0	43.49%	\$0	\$0	65,465.003	\$0.00/SU
Ship Channel	\$0	40.87%	\$0	\$0	29,074.751	\$0.00/SU
Sims / Vince	\$51,472,918	47.64%	\$24,521,698	\$12,260,849	214,202.167	\$57.24/SU

# Adoption Schedule

<b>Council Sets Public Hearing Date (Land Use Assumptions and Improvements Plan)</b>	<b>12/5/12</b>
Advisory Committee Approval (Land Use Assumptions and Improvements Plan)	01/03/13
Public Hearing (Land Use Assumptions and Improvements Plan)	01/16/13
Council Sets Public Hearing Date (Impact Fee)	01/30/13*
Advisory Committee Approval (Impact Fee)	02/21/13*
Public Hearing (Impact Fee)	03/06/13*
Council Considers Adoption of Impact Fee Ordinance	03/13/13*
* Denotes Tentative Date	



# QUESTIONS



December 18, 2012

ReBuild Houston Oversight Committee

**Drainage Utility Fees  
Inception to Date (ITD) Collections / Expenditures  
(\$ in Thousands)  
(As of Dec 05, 2012)**

