



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: September 30, 2025

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the Capital Improvements Advisory Committee.

BACKGROUND:

SB 1883 (see Exhibit 2) was approved as part of the 89th Legislative Session, amending several sections of Texas Local Government Code (TLGC) Chapter 395 relating to the collection of impact fees and establishment of a Capital Improvements Advisory Committee (CIAC). At the September 30, 2025 Work Session, staff will provide City Council with a summary of provisions in TLGC Chapter 395, specifically the requirements surrounding establishment of a CIAC that existed prior to the 89th legislative session and the City of Denton's current CIAC. In addition, staff will review changes needed to the composition of the CIAC as a result of recent amendments to the State Statute and seek Council direction on the creation of a new CIAC Ordinance.

TLGC Chapter 395 authorizes the collection of impact fees to be charged to new developments to offset the costs of capital improvements related to water, wastewater, and roadway improvements. In order to assess impact fees, Chapter 395 requires the establishment of a Capital Improvements Advisory Committee to review and comment on land use assumptions, capital improvement plans, and proposed impact fees. Section 395.058 sets forth the requirements for the establishment and composition of the CIAC. Due to recent passage of SB 1883 and updates to the State Statute regarding the composition of the CIAC, staff is bringing forth this work session item to receive direction from City Council regarding establishment of a new Capital Improvement Advisory Committee.

Prior to the 89th Legislative Session, TLGC Section 395.058(b) specified the CIAC be composed of not less than five members appointed by the governing body of the political subdivision. Of this body, not less than 40 percent of the CIAC membership was required to be representatives of the real estate, development, or building industries who are not employees or officials of a political subdivision or governmental entity. Section 395.058(b) also allowed for cities with a Planning and Zoning Commission, to utilize the Commission as the CIAC provided the Commission included at least one representative of the real estate, development, or building industry who is not an employee or official of a political subdivision or governmental entity. Furthermore, in cities where impact fees were applied to areas within the extraterritorial jurisdiction (ETJ), a representative of this area was required to be included in the CIAC.

The City of Denton has implemented impact fees for water and wastewater infrastructure since 1998, and for roadway improvements since 2016. With the implementation of water and wastewater fees in 1998, and the subsequent updates, the City of Denton utilized the Planning and Zoning Commission as the CIAC. In 2018, as a requirement before updating impact fees, the City Council approved Ordinance 18-411 appointing the Planning and Zoning Commission, plus one ad hoc member from the ETJ, as the Capital Improvement Advisory Committee pursuant to Texas Local Government Code 395.058.

The existing CIAC ordinance specifies the roles of the CIAC are to:

- Advise and assist the City Council in adopting land use assumptions;
- Review the capital improvements plans and file written comments;
- Monitor and evaluate implementation of the capital improvements plan;
- File semiannual reports with respect to the progress of the capital improvements plan and reports to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee; and
- Advise the City Council of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

Given the above-mentioned responsibilities of the CIAC, the Committee currently meets twice a year to review the semiannual reports on the progress of the capital improvements plan. The Committee may be asked to increase meeting frequency when the City is reviewing and updating impact fees.

SB 1883 went into effect on September 1, 2025 and amends several sections of TLGC 395, including Section 395.058(b) by removing language within the subsection which authorizes the use of the Planning and Zoning Commission as the CIAC. Furthermore, 395.058(b) was also amended to specify that minimum of 50 percent of the membership of the CIAC shall be comprised by a representative of the real estate, development, or building industries. Representatives may not be employees or officials of the political subdivision. These changes, coupled with the requirements in the City Charter Section 10.02 that members of the Planning and Zoning Commission shall not hold any other public office or position in the City while serving on the Planning and Zoning Commission, necessitate the establishment of a new CIAC for the City of Denton.

Requirements specified in SB 1883 will also affect how frequently the CIAC may need to meet, particularly when evaluating new impact fees. SB 1883 amends TLGC 395 by adding Section 395.059 which requires cities to conduct an independent financial audit prior to the adoption of a new impact fee for services areas where a fee had previously been adopted. This report must be performed by an independent auditor, certified by the Texas State Board, and not previously employed by the political subdivision in the last 12 months. Section 395.05(c) details the components the independent audit must detail, including but not limited to, fees collected, fees assessed, proposed capital improvements or facility expansions financed from fees collected, and fees collected but not yet spent. The findings of this audit must be presented to the CIAC prior to the increase of an existing impact fee or adoption of a new one.

STAFF RECCOMENDATIONS AND DIRECTION NEEDED:

As part of the work session discussion, staff will be seeking direction from City Council regarding the establishment of a new CIAC, including feedback and directives on the following staff recommendations:

- Given the requirements that a minimum 50 percent of the membership of the CIAC be comprised by a representative of the real estate, development, or building industries *and* that these representatives may not be employees or officials of the political subdivision, staff recommends creating a new Committee to serve as the CIAC and does not recommend appointing an existing body to serve in this capacity.

- Staff further recommends submittal of a resume to be required prior to an individual being appointed to the CIAC to assist in monitoring compliance with the specific membership requirements of this body.
- While the minimum required membership for the CIAC is five members, staff recommends appointing a body of seven members, allowing each member of City Council to have an at-large appointee. It is important to note that the CIAC must also include one representative from the ETJ. This member will be ad hoc member and serve in addition to the seven standing members.
- Staff recommends four-year term lengths for CIAC members and suggests staggering terms so that appointees of odd number places (Places 1, 3, 5, and 7) end on August 31st of odd ending years and appointees of even number places (Places 2, 4, and 6) and the ad hoc member's term end on August 31st of even ending years.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Date	Council, Board, Commission	Request	Action
April 21, 2015	City Council	Consider an Ordinance creating a Capital Improvements Advisory Committee	Approved
March 20, 2018	City Council	Consider an Ordinance creating a Capital Improvements Advisory Committee	Approved

EXHIBITS

Exhibit 1 – Agenda Information Sheet
 Exhibit 2 – SB 1883
 Exhibit 3 – Draft Enabling Ordinance
 Exhibit 4 – Presentation

Respectfully submitted:
 Hayley Zagurski, AICP
 Acting Planning Director

Prepared by:
 Angie Manglaris, AICP
 Development Review Manager