

Owner-Initiated Annexation Request
Case # AX-22-010
Timber Hill-ARCO
Approximately 61.436 Acres

Staff Report on Fiscal Sustainability Impact
Prepared for City Council by Planning & Data Analytics Department



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EXISTING CONDITIONS

- Description: Approximately 61.436 acres of land in Denton County, located generally south of SH 114, west of BNSF Railway and along FM 156/Blue Mound Road.
- Request type: Full purpose annexation
- Comprehensive Plan Future Land Use: General Commercial
- Existing Land Use: Currently undeveloped with gas well on site— proposed for light industrial development and vacant, undeveloped, agricultural.
- Concept Plan: No
- Preliminary Plat: No
- Final Plat: No
- Independent School District: Northwest ISD
- Council District 7
- Included in Planned Service Area: No
- Planning Sector: Far North Planning Sector
- ROW: Yes, 11.106 acres

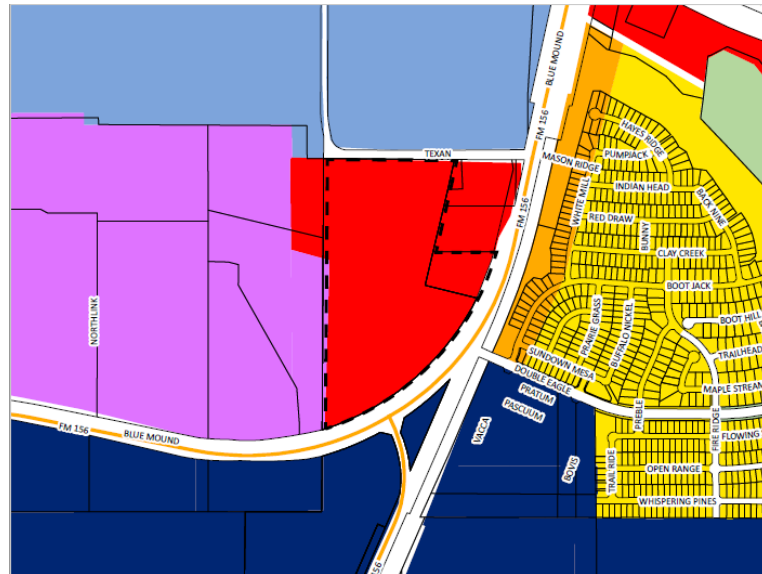


COMPREHENSIVE PLAN CONSISTENCY

Proposed Future Land Use configuration changes for Timber Hills-ARCO based on the submitted annexation application. FROM General Commercial TO General Commercial and Light Industrial.

Adopted Future Land Use:

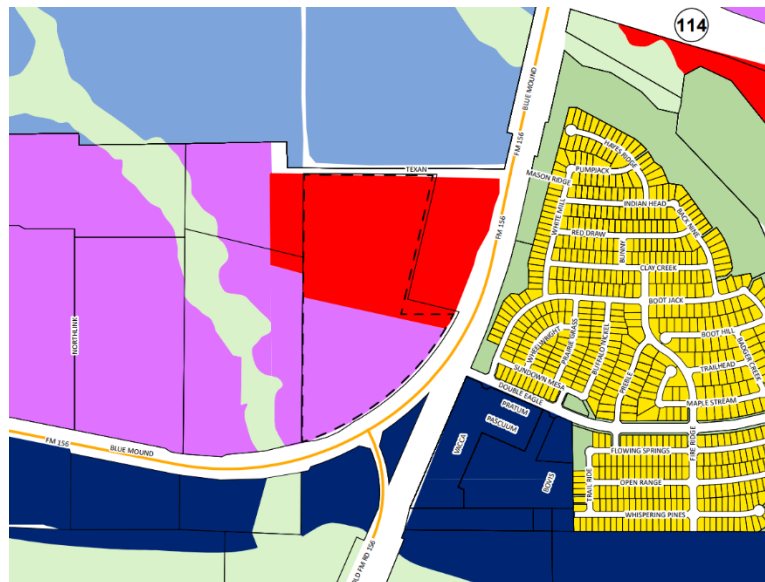
■ General Commercial



Proposed Future Land Use:

■ General Commercial

■ Light Industrial



Estimated Expenditures and Revenues

Estimated Expenditures and Revenues – Water

Reviewer(s): WDG

FYI comments: Relayed to applicants engineer the need to submit a water demand and sewer loading for review for the planned development

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	-	-	-	-	-
Capital	-	-	-	-	-
Personnel	-	-	-	-	-
Maintenance	-	-	-	-	-

Departmental Review Comments; Expenditures:

Water Department staff relayed to applicants engineer that they are financially responsible to assist with the extension of a parallel sewer interceptor main (with City cost participation) since the existing sewer interceptor has allocated capacity assigned to developments that paid for said interceptor installation.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	\$132,038	\$270,540	\$416,017	\$569,099	\$1,263,192

Departmental Review Comments; Revenues:

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Transportation and Public Works - Stormwater

Reviewer(s): Cannon Henry

Estimated Cumulative Expenditures:

	Infrastructure	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	<ul style="list-style-type: none"> 18 Inlets, 1535 feet of pipe 	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital	<ul style="list-style-type: none"> 18 Inlets, 1535 feet of pipe 	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Personnel		-	-	-	-	-
Maintenance	<ul style="list-style-type: none"> 18 Inlets, 1535 feet of pipe 	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Departmental Review Comments; Expenditures: Stormwater has projected a zero increase in capital, personnel and operation and maintenance costs from the best information currently available. The proposed light-industrial development has been determined to be a fully commercial operation where all storm-drain assets implemented by the proposed development shall be constructed, operated and maintained by the commercial development, itself. The above projection of assets is based on a guestimate of infrastructure assets required based on a draft conceptual site plan provided. Actual infrastructure assets numbers generated from the proposed development will be based on the actual development of the area as permitted by the City’s Development Department. Nevertheless, there is expected to be a zero increase in the number of public storm drain infrastructure assets generated from the proposed commercial development that is to be constructed, operated or maintained by the City’s Stormwater Management Division.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	-	-	-	-	-

Departmental Review Comments; Revenues:

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Roads and Streets

Reviewer(s): Transportation Development Review

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	-	-	-	-	-
Capital	-	-	-	-	-
Personnel	-	-	-	-	-
Maintenance	-	-	-	-	-

Departmental Review Comments; Expenditures: Site served by FM 156. Roadway maintenance is under the jurisdiction of TXDOT.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	-	-	-	-	-

Departmental Review Comments; Revenues:

1. How does this proposal align with your department's plans and policies? List policies from department's plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Police

Reviewer(s): LaShanda Dockery

Estimated Cumulative Expenditures:

The Police Department has projected demand for service based on the best information currently available. Future expenses are highly dependent on the expected uses, density level, transportation infrastructure, and timing of development. Operational, Capital, and Personnel expenses are unknown at this time and are dependent on if a new patrol division, additional personnel (patrol officers, neighborhood police officers, communications staff, etc.) or a new facility is necessary. Once the property is fully developed, call load is estimated to be between 2 to 5 calls a year. The average cost per call is \$610 per officer. Based on an assumption that at least two officers will respond to the call, \$1,220 per call is used to calculate the cost of service. The average annual cost of service for this development is estimated to be \$2,440 to \$6,100. Estimated expenditures assume that there are 5 calls per year and two officers responding to each call. An inflation rate of 3% was used to calculate the expenditures.

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations: Cost per Call	\$6,100	\$8,443.83	\$9,788.71	\$11,347.80	\$20,495.38
Capital	-	-	-	-	-
Personnel	-	-	-	-	-
Maintenance	-	-	-	-	-

Departmental Review Comments; Expenditures:

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	-	-	-	-	-

Departmental Review Comments; Revenues:

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.): Additional calls for service will increase operational needs for the Police Department. As the land is developed, the Police Department will continue to evaluate call loads to determine whether a new patrol division, additional personnel (patrol officers, neighborhood police officers, communications staff, etc.) or a new facility is necessary.

2. How will this proposal affect your key performance indicators? Once the property is fully developed, Priority 1, 2, and 3 response times could increase for North Division depending on the expected uses, density level, transportation infrastructure, and timing of development.

3. Department Recommendation: Support Annexation

Estimated Expenditures and Revenues – Fire

Reviewer(s):

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations					
Capital					
Personnel					
Maintenance					

Departmental Review Comments; Expenditures:

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue					

Departmental Review Comments; Revenues:

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Emergency Medical Services

Reviewer(s):

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations					
Capital					
Personnel					
Maintenance					

Departmental Review Comments; Expenditures:

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue					

Departmental Review Comments; Revenues:

1. How does this proposal align with your department's plans and policies? List policies from department's plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):
2. How will this proposal affect your key performance indicators?
3. Department Recommendation:

Estimated Expenditures and Revenues - Public Safety Radio Communications

Reviewer(s): Lawrence Crockett

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	\$0	\$0	\$0	\$0	\$0
Capital	\$0	\$0	\$0	\$0	\$0
Personnel	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0

Departmental Review Comments; Expenditures:

Impact Comments: Predictive analysis indicates that public safety radio coverage meets the City’s standard requirements for 100% of the proposed annexed area. No adjustments to the existing communications infrastructure will be required.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	-	-	-	-	-

Departmental Review Comments; Revenues:

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

This proposal aligns with the department’s existing plans and policies.

2. How will this proposal affect your key performance indicators?

The proposal will have no effect on the department’s key performance indicators.

3. Department Recommendation:

No action regarding public safety radio communications will be required to accommodate the proposed annexation.

Estimated Expenditures and Revenues - Code Compliance – Code Enforcement

Reviewer(s):

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations					
Capital					
Personnel					
Maintenance					

Departmental Review Comments; Expenditures:

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue					

Departmental Review Comments; Revenues:

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Code Compliance - Solid Waste Services

Reviewer(s): Benjamin Neal, Senior Environmental Specialist

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	\$0	\$0	\$0	\$0	\$0
Capital	\$0	\$0	\$0	\$0	\$0
Personnel	\$0	\$0	\$0	\$0	\$0
Maintenance	\$0	\$0	\$0	\$0	\$0

Departmental Review Comments; Expenditures:

Based on the proposed industrial and commercial land uses, any occupants of the subject site would be required to obtain their own solid waste disposal contract with a private solid waste hauler. As a result, the addition of the subject area is not expected to incur any expenditures from the Solid Waste Fund. Any private solid waste hauler providing services in the subject area would be required to have an active Grant of Privilege issued by the City of Fort Worth.

Note: Beginning in FY23, litter and illegal dump abatement expenditures have been transferred to the Environmental Protection Fund. As a result, estimates of these expenses are included in the cumulative expenditure table for Code Compliance – Environmental Quality.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	\$0	\$0	\$0	\$0	\$0

Departmental Review Comments; Revenues:

Based on the proposed industrial and commercial land uses, any occupants of the subject site would be required to obtain their own solid waste disposal contract with a private solid waste hauler. As a result, the addition of the subject area is not expected to generate revenue for the Solid Waste Fund.

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

As the subject site is expected to include only industrial and commercial land use, this proposal does not impact implementation of the Comprehensive Solid Waste Management Plan.

2. How will this proposal affect your key performance indicators?

This proposal does not impact any key performance indicators associated with residential waste collection services. The portion of Blue Mound Road added in this proposal will add route mileage for litter abatement and street sweeping. These services are included in an existing contract, which may help achieve KPI CC.3.3. However, due to the low mileage included, this impact is expected to be negligible.

3. Department Recommendation: Neutral.

Estimated Expenditures and Revenues - Code Compliance – Environmental Quality

Reviewer(s): Benjamin Neal, Senior Environmental Specialist

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	\$2,192	\$3,223	\$4,537	\$6,098	\$15,872
Capital	\$48	\$107	\$185	\$277	\$853
Personnel	\$1,413	\$2,922	\$4,869	\$7,180	\$21,660
Maintenance	\$238	\$537	\$924	\$1,384	\$4,265

Departmental Review Comments; Expenditures:

Expenditures at the subject site over 40 years are expected to keep remain lower than revenues until the final 20-year period. By the end of 40 years, the expenses are expected to rise above the revenues. However, this assumes the 30 acres north of the proposed truck terminal remains undeveloped. Expenditures will change with any additional development. In particular, undeveloped land experiences a higher amount of illegal dumping, so development on this area would reduce litter or illegal dump abatement costs.

During development, the site will be subject to the grading permit process and associated inspections by Environmental Quality staff. This is expected to require approximately 6 hours during the first year, and include one round trip to the site. Following development, the site will be subject to an average of one additional inspection and one complaint response per year, for a total of approximately 3.5 hours and two round trips.

Over the 40-year period, Code Compliance estimates the site may require 29 illegal dump abatements, 1 nuisance abatement and 7 homeless camp abatements. These services would require an average 2.3 staff hours a year and an average of \$184 per year for vehicle operating, maintenance, and replacement costs. The portion of Blue Mound Road adjoining the subject area is included in the current street sweeping and litter abatement contracts, but the share of contract costs associated with the subject area are included in the expense estimates.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	\$5,040	\$11,340	\$17,640	\$23,940	\$29,862

Departmental Review Comments; Revenues:

The revenues for the site include the new Environmental Protection Fund rates which take effect on January 1, 2023. As noted above, expenses exceed revenues during the last 20-year period; additional revenue sources through development or fee increases will impact these projections.

1. How does this proposal align with your department’s plans and policies? List policies from department’s plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

The proposed industrial and undeveloped land use is expected to have a moderate service need from our division. Grading and land disturbance will be subject to the grading permitting process and subsequent inspections. After development, the industrial nature of the proposed development will require regular stormwater inspections. However, current staffing is sufficient to complete these duties. Both inspection types are documented in Chapter 4 of the Environmental Master Plan.

As a portion of the site will remain undeveloped, it will likely be impacted by illegal dumping and other nuisances. If these impacts fall on public right-of-ways, they will be abated by Code Compliance-Solid Waste staff funded by the Environmental Protection Fund. Current staffing is sufficient to complete these duties. The portion of Blue Mound Road included in the proposal has already been included in the street sweeping contract which launched in November, 2022. All abatement and sweeping services support Chapter 6 of the Environmental Master Plan.

2. How will this proposal affect your key performance indicators?

Beginning once development starts, the subject site would increase the number of routine investigations for the Water Quality team included in KPI CC.5.2. However, current staffing is sufficient to complete these during authorized timelines. Therefore, this proposal is not expected to negatively impact this key performance indicator.

3. Department Recommendation:

Recommend annexation. Expenditures are projected to exceed revenues between 2042 and 2062. However, it is expected that additional development in the subject area will increase revenue and prevent this shortfall.

Estimated Expenditures and Revenues - Park and Recreation

Reviewer(s): Michelle Villafranca and Craig Fox

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	-	-	-	-	-
Capital	-	-	-	-	-
Personnel	-	-	-	-	-
Maintenance	\$3,325.52	\$3,949.68	\$4,690.98	\$5,571.41	\$11,085.93

Departmental Review Comments; Expenditures:

PARD ROW (Michelle Villafranca): Current conditions would result in an annual maintenance cost of \$2,800.00 annually. PARD-Forestry (Craig Fox): No Forestry maintenance required in current conditions or expected if maintained to current condition.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	-	-	-	-	-

Departmental Review Comments; Revenues:

1. How does this proposal align with your department's plans and policies? List policies from department's plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Library

Reviewer(s): Marilyn Marvin

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	-	-	-	-	-
Capital	-	-	-	-	-
Personnel	-	-	-	-	-
Maintenance	-	-	-	-	-

Departmental Review Comments; Expenditures: The library will have no additional expenditures if this land is annexed.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	-	-	-	-	-

Departmental Review Comments; Revenues:

1. How does this proposal align with your department's plans and policies? List policies from department's plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators?

3. Department Recommendation:

Estimated Expenditures and Revenues - Development Services - Gas Wells

Reviewer(s): Cecilia Leyba

Estimated Cumulative Expenditures:

	5 Years	10 Years	15 Years	20 Years	40 Years
Operations	-	-	-	-	-
Capital	-	-	-	-	-
Personnel	-	-	-	-	-
Maintenance	-	-	-	-	-

Departmental Review Comments; Expenditures: Since I don't have access to the annual budget, I can't determine the cost of expenditures. Currently the gas well section consists of only two employees which are gas well inspectors. Each inspector has an issued City vehicle to perform field duties.

Estimated Cumulative Revenues:

	5 Years	10 Years	15 Years	20 Years	40 Years
Revenue	\$9,000	\$18,000	\$27,000	\$36,000	-

Departmental Review Comments; Revenues: The gas well site within the proposed annexation has three gas well bores which were entered into our system back in 2015 due to a Development Agreement. Annual well fees have been collected at \$600/well since 2016. The life expectancy for a well bore is roughly 20-30 years. As long as the wells have not been plugged, the wells will generate the \$600/well annual fee.

1. How does this proposal align with your department's plans and policies? List policies from department's plan that this annexation proposal supports (Strategic Plan, Master Plan, Neighborhood Plan, etc.):

2. How will this proposal affect your key performance indicators? No issues.

3. Department Recommendation: Nothing to add. Once the wells have been plugged and the pad site area reclaimed, the area can be used for development with only a 5' no-build easement requirement from each plugged well.

SUMMARY AND OVERALL RECOMMENDATION (COMPLETED BY P&DA)

Expenditures

- Service and infrastructure costs will increase over time as additional development occurs and as infrastructure ages and needs maintenance and eventual replacement. Depending on the development's tax generation over time, the annual revenue needed to maintain infrastructure and services to the development may be strained to cover costs associated with the development.
- Future costs to the City of Fort Worth include:
 - Police, Fire, and EMS services
 - Water Department will extend service through cost participation
 - Environmental quality operational costs, street sweeping, and parkway ~~right-of-way~~ maintenance (TxDOT handles roadway maintenance per TPW).

Revenues

- Following completion of the proposed development project, total City property tax revenue is estimated to be \$163,875 per year with a cumulative total of \$1,638,750 by FY 2033/2034 (assuming no change in value or tax rate).
- Additional revenues to the City will include retail service from water/waste water, environmental impact fees, transportation impact fees, and from gas wells if wells are not plugged after the property is annexed.

Land Use Recommendation

The proposed warehouse land use is inconsistent with the adopted General Commercial Future Land Use designation. If the City Council approves this proposed annexation, P&DA staff recommends amending the Future Land Use Map to designate the property Light Industrial where the warehouse development is proposed, retaining the existing General Commercial designation on the undeveloped remainder of the property. If the property is annexed, P&DA will propose this map amendment during the next Comprehensive Plan update.

Overall Recommendation

Annual impacts on the General Fund are expected to be positive following construction, based on the information provided by departments and the developer. Due to the ability of the area to meet the City's criteria for full-purpose annexation, staff recommends that the Timber Hill-ARCO (AX-22-010) be considered for annexation at this time.