

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 01/23/24 M&C FILE NUMBER: M&C 24-0003

LOG NAME: 06TRANSPORTATION IMPACT FEE ORDINANCE UPDATE JAN 2024

SUBJECT

(ALL) Adopt an Ordinance Amending Chapter 30, Article VIII, "Transportation Impact Fees" of the Code of the City of Fort Worth (2015) to Revise Provisions Relating to Transportation Impact Fee Credits and Appeals

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance amending Chapter 30, Article VIII, "Transportation Impact Fees" of the Code of the City of Fort Worth (2015) to revise provisions relating to transportation impact fee credits and appeals.

DISCUSSION:

The purpose of this M&C is to adopt an ordinance allowing for the partial issuance of transportation impact fee credits when community facilities agreements are executed and to make certain changes to the appeals process.

Transportation impact fees are collected by the City when building permits are issued. When transportation impact fee roadways are built pursuant to community facilities agreements (CFA), some developments are eligible to have their final plats recorded and building permits issued before construction of the roadway(s) is complete. Impact fee credits are mandated by statute and are linked to the actual costs of construction. The City currently issues impact fee credits when construction of roadways pursuant to a CFA has been completed and accepted by the City. The timing of this process has resulted in the City having to issue refunds to developers who are constructing impact fee eligible roadways pursuant to a CFA.

City staff is recommending that the transportation impact fee ordinance be amended to allow staff to issue transportation impact fee credit for 75% of the transportation impact fee eligible roadway construction costs when a CFA is executed. Such credits would only be issued when the CFA is financially guaranteed by a development bond, letter of credit, cash escrow, or escrow agreement ensuring that the developer constructs the roadway and pays all construction and materials costs. This would allow a developer to enter into a transportation impact fee credit agreement prior to the issuance of a building permit and minimize the need for the City to issue refunds in future. The remaining impact fee credits would not be applied to a project until roadway construction is completed and accepted by the City and the final construction costs are determined, including the cost of any change orders.

The changes to the appeals process will help appellants and staff streamline the nature of appeals regarding the calculation of the impact fees.

City staff recommends that the proposed revisions be effective on January 23, 2024.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of the recommendation will have no material effect on City funds.

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