

Mayor and Council Communication

DATE: 06/10/25

M&C FILE NUMBER: M&C 25-0509

LOG NAME: 60UPDATE WATER AND WASTEWATER IMPACT FEES 2025

SUBJECT

(ALL) Adopt Ordinance Amending Chapter 35 of the City Code, Water and Sewers, Article III, "Charges" and Revising the Land Use Assumptions, Capital Improvements Plan and Impact Fee Schedules for Water and Wastewater Facilities

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance amending Chapter 35 of the City Code, Water and Sewers, Article III "Charges" and revising the Land Use Assumptions, Capital Improvements Plan and impact fee schedules for water and wastewater facilities.

DISCUSSION:

Section 395.052 of the Local Government Code requires the City of Fort Worth to amend its Land Use Assumptions (LUA), Capital Improvements Plan (CIP) and Impact Fees at least every five years and as necessary to reflect any changes in the LUA, CIP and the Impact Fee Ordinance. The LUA amendment includes amending the service area boundaries and population projections. The CIP amendment includes amending the list of impact fee eligible projects and costs for the next 10 years based on the amended LUA. The last impact fee update was in 2022. The City is required to hold a public hearing to discuss the amendments to the LUA and CIP and imposition of the impact fees.

On June 11, 2024, Mayor and Council Communication (M&C) 24-0517, the City Council authorized the execution of a contract with Freese and Nichols, Inc. (FNI) to prepare the amendments (City Secretary Contract No.61587). City Staff and FNI met with the Capital Improvements Plan Advisory Committee (CIPAC), Wholesale Customers' sub-committee, Development Advisory Committee (DAC) representatives on August 16, 2024, January 21, 2025 and February 27, 2025 as part of the process to complete the LUA and CIP amendment study.

On June 20, 2024 and December 11, 2024, City staff briefed the Wholesale Customers' committee on the status of the LUA and CIP amendment study. On September 19, 2024, February 20, 2025 and March 26, 2025, the updates to the amendments were presented to DAC.

On March 25, 2025, the City Council adopted a resolution calling a public hearing on May 20, 2025 to receive public input regarding the amended Land Use Assumptions, Capital Improvements Plan and Water and Wastewater Impact Fee Schedules. The public hearing notice was timely published in various newspapers in Tarrant and surrounding counties due to Fort Worth's city limits footprint. The amendments have been available for public inspection since April 21, 2025 on the 5th floor of City Hall and the amendments were also made available on the City's website.

On February 27, 2025, in accordance with Chapter 395.050 of the Local Government Code, the CIPAC recommended adoption of the amendments to the Land Use Assumptions and Capital Improvements Plan, which established the Water and Wastewater maximum assessable impact fee to be \$12,950.00 per equivalent meter unit. The CIPAC recommends the following with respect to the collection rate of the maximum assessable impact fees:

- Effective October 1, 2025, a collection rate of 42.5 percent of the Maximum Assessable Impact Fee (water and wastewater combined) increasing the combined water and wastewater impact fee to \$5504.00.
- Effective October 1, 2026, a collection rate of 45 percent of the Maximum Assessable Impact Fee (water and wastewater combined) increasing the combined water and wastewater impact fee to \$5828.00.

On March 7, 2025 the CIPAC's written recommendations were sent to Mayor and City Council and on April 15, 2025, the CIPAC's written recommendations were presented to City Council during the council work session. On May 20, 2025, the City Council conducted a public hearing in an open session at a regularly scheduled City Council meeting to consider and hear comments on the proposed amendments. The proposed water and wastewater impact fee schedule would take effect on October 1, 2025. The attached ordinance establishes the maximum assessable impact fees as well as the phase-in schedule for the next two years.

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 upon approval of the above recommendation and adoption of the ordinance funds will be deposited into the Water Impact Fee Fund and the Sewer Impact Fee Fund. The Water Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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