

Mayor and Council Communication

DATE: 10/25/22

M&C FILE NUMBER: M&C 22-0876

LOG NAME: 062022 TRANSPORTATION IMPACT FEE STUDY, RATES AND ORDINANCE

SUBJECT

(ALL) Adopt an Ordinance which adopts the 2022 Transportation Impact Fee Study Revising the Land Use Assumptions, Transportation Improvements Plan, and Maximum Assessable Impact Fee Rate (Schedule 1) for Transportation Facilities and Amends Certain Provisions of Chapter 30, Article VIII, Transportation Impact Fees, of the Fort Worth City Code, and Providing Effective Dates

RECOMMENDATION:

It is recommended that the City Council adopt the attached ordinance which adopts the 2022 Transportation Impact Fee Study, which includes the Maximum Assessable Impact Fee Rate (Schedule 1) for transportation facilities and amends certain sections of Chapter 30, Streets and Sidewalks, Article VIII, Transportation Impact Fees of the Fort Worth City Code, with an effective date of November 1, 2022, for the transportation impact fee program; and

DISCUSSION:

This is the third update to the City's transportation impact fees program. The City Council implemented a transportation impact fee program in 2008 by establishing land use assumptions, a capital improvements plan, maximum assessable impact fees per service area (aka Schedule 1) and collection rates for transportation impact fees on April 29, 2008, (Ordinance No. 18083-05-2008 M&C G-16122). The Texas Local Government Code (TLGC) Chapter 395 governs the imposition of impact fees and requires that the City update its land use assumptions, transportation improvements plan and maximum assessable impact fees at least every five years. The City has updated its transportation impact fee program on February 5, 2013, (Ordinance No. 20605-02-2013, M&C G-17799) and on January 23, 2018, (Ordinance No. 23084-01-2018, M&C G-19207).

For this update, the City contracted with Kimley-Horn and Associates, Inc. (City Secretary Contract No. 56500, M&C 21-0697) to prepare the 2022 Transportation Impact Fee Study (2022 Study) which serves to update the land use assumptions, transportation improvements plan and determination of the maximum assessable fees. The 2022 Study, attached hereto, has been available for public inspection since July 28, 2022, in the City Secretary's Office and also on the City's Transportation Impact Fee website (www.fortworthtexas.gov/impactfees/transportation).

As required, Staff presented for public discussion the 2022 Transportation Impact Fee Study, updated land use assumptions, transportation improvements plan, Schedule 1, and the recommendation of continued imposition of transportation impact fees to the Capital Improvements Advisory Committee (CIAC) at its July 27, 2022, meeting. The CIAC reviewed and accepted the recommendation with unanimous approval. Their written recommendation is attached to this M&C.

On August 23, 2022, the City Council adopted Resolution No. 22-2390 calling for a public hearing on September 27, 2022 to consider the updated land use assumptions, transportation improvements plan and continued imposition of Transportation Impact Fees. Notice of the public hearing was published in the *Fort Worth Star-Telegram*, *Denton Record-Chronicle*, *Weatherford Democrat*, and *Wise County Messenger* from August 25, 2022 to August 28, 2022, in accordance with Texas Local Government Code. On September 27, 2022, the City Council conducted the public hearing at its regularly scheduled City Council meeting to receive comments from the public on the subject. The Texas Local Government Code requires City Council act within the 30 days after the date of the public hearing.

Staff recommends adoption of the 2022 Study and the embedded (and also separately attached) Schedule 1. Schedule 1 is directly correlated to and supported by the findings in the 2022 Study. The 2022 Study includes a land use assumptions update, revising the service area boundaries and making growth projections for each service area over a 10-year horizon. In addition, the study identifies the ultimate boundaries of future Transportation Impact Fee Service Areas based on the City's Planned Service Area Boundary, which will be brought into the city via annexation as it occurs. The 2022 study did not add any additional fee service areas; however, two current fee service areas (L&W) are becoming no fee service areas, bringing down the number of fee service areas to 19. The transportation improvements plan update includes amending the list of impact fee-eligible projects and costs for the same time period based on the updated land use assumptions for each existing fee service area. The determination of the maximum assessable fees is based on the updated land use assumptions and capital improvements plan.

Collection Rate. The City Council has historically adopted a collection rate per service area that was, in nearly all service areas, less than Schedule 1. On August 24, 2022, Staff presented the CIAC with the proposed collection rate, known as Schedule 2. The CIAC heard public comments and voted unanimously, with one abstention, to forward staff's proposed collection rate to the City Council. The Schedule 2 was discussed by the City Council at its public work session on October 4, 2022. As a result, Staff will bring forward a subsequent M&C presenting a Schedule 2 for the Council's consideration.

In conjunction with the 2022 Transportation Impact Fee Study, staff is recommending changes to the Transportation Impact Fee Ordinance to provide clarification, update policies to match departmental changes, and to modify the available discounts and the appeal process related to the program.

The major changes proposed include the following:

- Adding definitions for annexations and non-residential shell buildings.
- Modifying definitions to match current city and state law
- Removing the two-year grace period for the collection rate (a leftover provision from the 2008 establishment of transportation impact fees)
- Revising the Adequate Facilities Discount to allow a Texas Department of Transportation (TxDOT) on-system facility to count towards the discount and clarifying which projects qualify for the discount.
- Revising the Land-use Transportation Discount to change the name to match the intent of the discount (Mixed-use/Multi-modal Development) discount and increase the maximum percentage discount to 25%
- Revising the Extraordinary Investment Discount to increase the maximum percentage discount to 25% and modify the investment amounts
- Clarifying the appeals process after an assessment of impact fees have been made.

The ordinance changes have been presented to various stakeholders throughout the City including the Capital Improvement Advisory Committee, the Development Advisory Committee, the Mobility: Infrastructure Transportation Committee, and various entities throughout Fort Worth. The effective date of these proposed changes is proposed for November 1, 2022.

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.

Submitted for City Manager's Office by: Dana Burghdoff 8018

Originating Business Unit Head: D.J. Harrell 8032

Additional Information Contact: Mirian Spencer 2677

Expedited