

1.0 INTRODUCTION

Chapter 395 of the Texas Local Government Code requires an impact fee analysis before impact fees can be assessed. Chapter 395 defines an impact fee as “a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development.” In September 2001, Senate Bill 243 amended Chapter 395, thus creating the current procedure for implementing impact fees. Chapter 395 identifies the following items as impact fee eligible costs:

- Construction contract price
- Surveying, engineering and inspection fees
- Land acquisition costs
- Cost of engineering studies
- Fees paid to the consultant preparing or updating the capital improvements plan (CIP)
- Projected interest charges and other finance costs for projects identified in the CIP

Chapter 395 also identifies items that impact fees cannot be used to pay for, such as:

- Construction, acquisition, or expansion of public facilities or assets other than those identified on the capital improvements plan
- Repair, operation or maintenance of existing or new capital improvements
- Upgrading, updating, expanding or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards
- Upgrading, updating, expanding or replacing existing capital improvements to provide better service to existing development
- Administrative and operating costs of the political subdivision
- Principal payments and interest or other finance charges on bonds or other indebtedness, except as allowed above

In January 2016, the City of Fort Worth authorized Freese and Nichols, Inc. (FNI) to perform an update to the impact fee analysis on the City's water and wastewater systems. The purpose of this report is to address the methodology used in the development of the wastewater facilities land use assumptions. The methodology used herein satisfies the requirements of the Texas Local Government Code Section 395 for the establishment of water and wastewater impact fees.

The City updated its wastewater land use assumptions and capital improvements plan in 1993, 1996, 1999, 2004, 2009 and 2012. This report updates the wastewater facilities land use assumptions for the years 2017, 2027 and 2037. This information will be used in the update of the wastewater impact fees.