



**City of Azle
Regular Agenda
Capital Improvement Advisory
Committee**

505 W. Main Street
Azle, Texas 76020

April 6, 2023

6:00 PM

Council Chambers

Pursuant to Section 551.071 of the Texas Government Code, the Commission may convene into Executive Session(s) from time to time as deemed necessary during the meeting for any posted agenda item and may receive advice from its attorney as permitted by law.

REGULAR SESSION

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Consider approval of the minutes of the CIAC Meeting held on January 19, 2023.

ACTION ITEMS

2. Consider a recommendation to the City Council on the Roadway System Impact Fee Study, Land Use Assumptions, Roadway System Capital Improvements Plans, and the Roadway Impact Fee Rates.

David Hawkins, Director of Planning and Development

ADJOURNMENT

I, the undersigned authority, do hereby certify the above Agenda was posted at City Hall on Friday, March 31, 2023, at the City's official bulletin board and is readily accessible to the public at all times in accordance with V.T.C.A. Chapter 551, Texas Government Code.

This facility is wheelchair accessible and handicapped parking spaces are available. Auxiliary aids and services are available to a person when necessary to afford an equal opportunity to participate in city functions and activities. Auxiliary aids and services or accommodations should be requested forty-eight hours prior to the scheduled starting time by calling the City Secretary's Office at 817-444-7101. Complete Capital Improvement Advisory Committee agenda packet is available for review at the City Secretary's Office and on our website www.cityofazle.org.



CITY OF AZLE CAPITAL IMPROVEMENTS ADVISORY COMMITTEE
MINUTES OF REGULAR MEETING
505 W. MAIN STREET – COUNCIL CHAMBERS
THURSDAY – January 19, 2023

MEMBERS PRESENT: Chairman Leonard Wheeler, Jared Arneson, Ricky Simmons, Laurel Mosier, Jim Carlson, Cynthia Barrios and Curt Lampkin

MEMBERS ABSENT:

STAFF PRESENT: David Hawkins Director of Planning and Development and Lawrence Bryant, Assistant City Manager

OTHER GUESTS: Derek Turner, P.E., and Kristy Griffis, Project Manager, Jacob Martin Engineering

REGULAR SESSION

CALL TO ORDER Chairman Wheeler at 6:00 p.m.

INVOCATION Committee Member Carlson gave the invocation

PLEDGE OF ALLEGIANCE Committee Member Mosier led the pledge

ACTION ITEM

1. Consider a recommendation to the City Council on the Water and Wastewater Impact Fee Study, Land Use Assumptions, Water and Wastewater Capital Improvement Plans and the Water and Wastewater Impact Fee Rates

Derek Turner, P.E. with Jacob Martin Engineering gave an overview of the 2023 Impact Fee Study and proposed new impact fee rates. Discussion was held on the 10-year CIP plan and how the project list was developed and how the impact fees can be spent towards the CIP projects.

Committee member Simmons made a motion to recommend to Council approval of the Water and Wastewater Impact Fee Study, Land Use Assumptions, Water and Wastewater Capital Improvement Plans and the Water and Wastewater Impact Fee Rates as submitted. Member Mosier seconded the motion and the motion passed unanimously.

ADJOURNMENT:

Meeting adjourned at 6:59 pm

Presented and approved on _____

Chairman Leonard Wheeler

Attest:

David Hawkins, AICP
Director of Planning and Development



Presenter: David Hawkins, Director of Planning and Development

Agenda Item: Consider a recommendation to the City Council on the Roadway System Impact Fee Study, Land Use Assumptions, Roadway System Capital Improvements Plans, and the Roadway Impact Fee Rates.

Background and Explanation:

Chapter 395 of the Texas Local Government Code (TLGC) grants cities the authority to collect impact fees for new residential and commercial developments within their jurisdictions. The City of Azle currently collects water and sewer impact fees and has just recently adopted its 5-year update on March 21, 2023. On March 7, 2023, the City Council directed City staff to proceed forward with the adoption process for adding Roadway Impact Fees to the City of Azle.

Per Chapter 395 of the TLGC, cities may use impact fees as a funding mechanism to help offset and recoup costs for capital improvements or facility expansions necessitated by and attributed to new development. The concept is such that each development pays an equitable and commensurate share for its “impact” onto the transportation and utility network, as the community grows. The amount of the proportionate fee for each development and use is determined by a detailed study (City-wide), which makes assumptions about future land use and infrastructure (capital improvements) needed over time, commonly as 10-year projections. Such a study is required by Chapter 395 of the Texas Local Government Code, in order to legitimize the impact fee structure that the City implements.

The purpose of the agenda item is to receive a presentation on a Roadway Impact Fee study prepared by Jacob Martin, LLC and make a recommendation to the City Council. In accordance with State statutes, the Planning and Zoning Commission serves as the Capital Improvements Advisory Committee (CIAC) which is the responsible government body in overseeing the City’s Impact Fee Ordinance and their updates.

Board/Commission/Committee Recommendation:

The Capital Improvements Advisory Committee has the following options when considering this agenda item:

1. Recommend approval
2. Recommend approval with additional changes
3. Recommend denial
4. Table the case to future meeting

Staff Recommendation:

Staff forwards this agenda item for CIAC consideration.

Attachments:

1. 2023 City of Azle - Roadway System Impact Fee Study



2022 ROADWAY SYSTEM IMPACT FEE STUDY

CITY OF AZLE, TEXAS

JANUARY 2023

Prepared by:



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Principal Engineer: Derek Turner, P.E.
Project Manager: Nic Kirk, P.E.

Table of Contents

TABLE OF CONTENTS

ACKNOWLEDGEMENTS	3
SECTION 1 - EXECUTIVE SUMMARY	4
1.1 GENERAL BACKGROUND	4
1.2 MAXIMUM ALLOWABLE ROADWAY SYSTEM IMPACT FEE	5
SECTION 2 - LAND USE ASSUMPTIONS	7
2.1 PURPOSE	7
2.2 ELEMENTS OF THE LAND USE ASSUMPTIONS.....	7
2.3 METHODOLOGY	7
2.4 BASE DATA (YEAR 2022).....	8
2.5 GROWTH ASSUMPTIONS	10
2.6 10-YEAR PROJECTIONS (YEAR 2032)	10
2.7 SUMMARY	12
SECTION 3 – ROADWAY SYSTEM IMPACT FEE ANALYSIS	13
3.0 ROADWAY SYSTEM IMPACT FEE ANALYSIS.....	13
3.1 POPULATIONS	13
3.2 ROADWAY SYSTEM CAPITAL IMPROVEMENTS.....	13
3.3 SERVICE ACCOUNTS	15
3.4 MAXIMUM IMPACT FEE CALCULATIONS	15
3.5 EXAMPLE FEE DEVELOPMENT.....	16
 Appendices	
A. Texas Municipal Code Governing Impact Fees.....	17
B. 2022 Existing Land Use Plan	34
C. 2022 Proposed Land Use Plan	36
D. Roadway System Impact Fee Capital Improvements Plan	38

ACKNOWLEDGEMENTS

This roadway system impact fee study would not have been possible without assistance from several key City staff members. Providing us with input and information, for this they have expended considerable time and effort. These staff members included Rick White, Lawrence Bryant, Renita Bishop, David Hawkins, and Jimmy Duvall. Sincere thanks to these individuals for their hard work, dedication, and professionalism, without whom this study would not have been successfully completed.

Jacob and Martin relied upon the extensive data supplied by the City. Thus, the integrity of the study is largely dependent upon the accuracy of this data. Every effort has been made by Jacob and Martin to validate and confirm the information contained herein prior to the preparation of the final study documents. This report presents no assurance or guarantee that the forecast contained herein will be consistent with actual results or performances. These represent forecasts based on a series of assumptions about future behavior and are not guarantees. Any changes in assumptions or actual events may result in significant revisions to the forecast and its conclusions.



Section 1 - Executive Summary

1.1 GENERAL BACKGROUND

The State of Texas has in place rules regarding impact fees. “Local Government Code/Title 12: Planning and Development/Subtitle C: Planning and Development Provisions/Chapter 395: Financing Capital Improvements/Subchapter A – General Provisions/Section 395 (2021)”, govern how a municipality can create and maintain a roadway system impact fee. A copy of the State regulations is located in Appendix A, of this study.

Texas State rules mandate that an impact fee analysis is required before impact fees are set. Section 395 also requires that the analysis be updated, at a minimum, every five years with respect to land use assumptions and capital improvement plans.

This will be the first roadway system impact fee developed for the City of Azle.

The purpose of this study is to explain the methodology used to analyze the roadway system impact fees for the City of Azle. All requirements of the Texas Local Government Code Section 395, for the establishment of roadway system impact fees, have been satisfied by this study.

The statutory authority for impact fees was established by the Texas Legislature in 1987. These state laws provide for the means to allow municipalities to lessen the impact that growth has on their existing systems and to allow a viable way to place some of the burden of this growth on future new development.

The following is a summary of the key regulations and components of a municipal impact fee system, under the current Chapter 395 regulations.

- The time period that the impact fee and land use assumptions must be updated is a minimum of 5 years.
- The impact fee must be based on capital improvements necessary for growth during a specific time period; typically, no longer than 10 years.
- A public hearing is required to discuss any changes to the land use assumptions and capital improvements plan for cities with an existing, roadway system impact fee.

Impact fees can be used to pay for:

- Construction contract price.
- Surveying and engineering fees
- Land and easement acquisition costs.
- Fees paid to the consultant preparing or updating the capital improvements plan.
- Projected interest charges and other finance costs for facilities expansions identified in the capital improvements plan.

Impact fees cannot be used to pay for:



- 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 May 2022, the City of Azle authorized Jacob and Martin, LLC to perform an impact fee analysis on the City's roadway system. The impact fee analysis follows the general set of procedures in Subchapter B of Chapter 395, Authorization of Impact Fee.

The impact fee analysis involves determining the utilization of existing and proposed projects, as defined by the capital improvement plan, required to serve new development over the next 10-year time period. Once the utilization of a project by 2022-2032 development is determined, a portion of a project's cost can be assigned as impact fees.

For existing or proposed projects, the impact fee is calculated as a percentage of the project cost, based upon the percentage of the project's capacity needed to serve development projected to occur between 2022 and 2032. Costs associated with capacity to serve existing development and development projected for more than 10 years in the future are not included in the impact fee calculation.

1.2 MAXIMUM ALLOWABLE ROADWAY SYSTEM IMPACT FEE

The total cost of roadway system capital improvements between 2022 and 2032 is estimated to be \$36,518,232. The impact fee eligible cost of roadway system capital improvements to serve new development, projected to occur between 2022 and 2032, is \$6,309,167. Finance costs are not included as part of the cost estimates for this study.

Roadway system impacts use a service unit of vehicle-mile, which is a service equivalent to the capacity consumed in a single lane in the peak hour by a vehicle making a trip one mile in length. The 4 categories that were used to define transportation demand factors (TDF) in vehicle-miles are Residential, which define vehicle-miles by dwelling units, and industrial, office, and retail, which define vehicle-miles by square footage of gross floor area (GFA). The TDF is also discounted by the origin-destination discount, which is applied to prevent double counting trips that originate from and are destined to a fee assessed development. The origin-destination discount is 50%. Each land use had a different vehicle-mile equivalent, which can be found in Table 1.1 and is used as the basis for this impact fee analysis.



Table 1.1 – Transportation Demand Factor (TDF) Table

Variable	Residential	Industrial	Office	Retail
T	0.94	0.65	1.44	5.19
P_b	0%	0%	0%	40%
L	4.93	3.52	6.32	3.72
L_{max}	2.47	1.76	3.16	1.86
TDF	2.32	1.14	4.55	5.79

Where:

T = Trip rate from ITE Trip Generation Manual, 11th Edition,

P_b = Pass-by rate from ITE Trip Generation Manual, 11th Edition,

L = The average trip length in the study area,

L_{max} = min(L x OD **OR** 6)

Where:

OD = The origin-destination discount = 50%

TDF = Transportation Demand Factor in Vehicle-miles = T x P_b x L_{max}

Section 2 - Land Use Assumptions

2.1 PURPOSE

Chapter 395 of the Texas Local Government Code describes the process by which cities in Texas must formulate the development of impact fees. To assist the City of Azle in determining the need and timing of capital improvements to serve future development, a reasonable estimation of future growth is required.

For the purposes of determining an impact fee structure, growth and development projections were formulated based on assumptions pertaining to the type, location, quantity, and timing of various future land uses in the community. The purpose of this section of the study is to establish and document the methodology used for preparing the growth and land use assumptions for the City of Azle. These land use assumptions, which include population projections, will become the basis for the preparation of impact fees for the roadway system capital improvement plans for the City of Azle.

2.2 ELEMENTS OF THE LAND USE ASSUMPTIONS

This section contains:

- A. Explanation of the general methodology used to prepare the land use assumptions.
- B. Historical data analysis.
- C. Base year data – Information on population and land use for the City of Azle, December 2022.
- D. Future 10-Year data - Information on population and land use for the City of Azle in the year 2032.
- E. Land use maps – Maps of land use from 2022-2032 of the City of Azle.

2.3 METHODOLOGY

The Land use assumptions and future growth projections consider several factors influencing development patterns, including:

- Type, density and quantity of existing development
- Existing zoning patterns
- Current growth trends
- Location and configuration of vacant land
- Availability of land for residential growth
- Inability to expand ETJ

The data to compile the land use assumptions was obtained from the City of Azle. The 10-year growth projections were calculated based upon reasonable growth rates and development trends over the past 5 years. Capital improvements needed to support growth were identified by the City and used

to develop an impact fee structure that fairly allocates improvement costs to growth areas in relationship to their impact on the entire infrastructure system.

2.4 BASE DATA (YEAR 2022)

In any evaluation and projection of future land use patterns, documentation of existing conditions is essential. Existing land use patterns and population for the City of Azle were provided by the City staff. This information will serve as a basis for future growth.

Appendix B and Appendix C contain the existing, approved land use plan and the proposed land use plan for the City of Azle, respectively.

Vehicle-miles are tabulated in Table 2.1 – 2022 development vehicle-mile service. Residential vehicle-miles are generated by multiplying the dwelling units by its associated TDF. Industrial, office, and retail vehicle-miles are generated by dividing the GFA by 1000 square feet and multiplying the result by each TDF, respectively.

Table 2.1 – 2022 Development Vehicle-Mile Service

2022 Vehicle Miles	Residential			Industrial			Office			Retail			Total
Street Name	Dwelling Units	TDF	Vehicle Miles	GFA (SF)	TDF	Vehicle Miles	GFA (SF)	TDF	Vehicle Miles	GFA (SF)	TDF	Vehicle Miles	Vehicle Miles
Kerry Ln	109		253	0		0	54,450		248	0		0	501
Red Bud Dr	104		241	0		0	9,583		44	0		0	285
Walnut Creek Dr	67		155	7,841		9	0		0	0		0	164
Commerce St	0		0	51,836		59	0		0	0		0	59
Stribling Dr	236		548	0		0	0		0	0		0	548
Boyd Ct	31		72	0		0	204,732		932	0		0	1004
Kimbrough Rd	197		457	0		0	0		0	0		0	457
Harbor Dr	66		153	0		0	0		0	0		0	153
Dunaway Ln	276	2.32	640	0	1.14	0	74,052	4.55	337	0	5.79	0	977
N Stewart St	180		418	0		0	433,422		1,972	108,900		631	3021
N Ash Ave	450		1,044	0		0	0		0	0		0	1044
S Ash Ave	10		23	0		0	0		0	0		0	23
Lakeview Dr	115		267	72,310		83	0		0	0		0	350
S Stewart St	370		858	0		0	24,829		113	83,635		484	1455
Silver Creek Rd	32		74	0		0	0		0	0		0	74
Park St	11		26	0		0	0		0	0		0	26
Wells-Burnett Rd	246		571	0		0	26,572		121	0		0	692
Scotland Ave	15		35	0		0	65,776		299	0		0	334
Totals			5,835			151			4,066			1,115	11167

NOTES:

TDF is generated in Table 1.1 for each general land use.

Residential vehicle-miles are calculated by multiplying TDF by the number of dwelling units.

Industrial, Office, and Retail vehicle-miles are calculated by dividing the GFA by 1,000 SF and multiplying the result by the TDF.

Dwelling units and GFA were estimated from land use assumptions.



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2.5 GROWTH ASSUMPTIONS

Growth was based on population and vacant, developable parcels within the city limits. A series of assumptions were made to arrive at a reasonable growth rate. The following assumptions have been made as a basis from which a 10-year projection can be made.

Future land uses were developed by reviewing historical and current development patterns and input from the City of Azle staff on new and proposed developments.

Land use assumptions are based on the adopted zoning regulations and current market trends. The land use assumptions were reviewed by Jacob and Martin and the City.

2.6 10-YEAR PROJECTIONS (YEAR 2032)

The projected 10-year population was developed using data from the North Central Texas Council of Governments and the U.S. Census Bureau and using the land use assumptions provided by the City.

The City of Azle's ETJ boundary is fixed, limited by surrounding city limits and associated ETJs. Therefore, any future growth is geographically bound within the current ETJ boundary. Appendix C shows the proposed use plan for the next 10 years and highlights possible areas of annexation into the city limits. Therefore, the current land use trend and any future city limit growth through annexation assumes the following:

ETJ boundaries remain constant, but future annexation of developments from the ETJ into the city limits is allowed and will be driven by developer desire.

Changes occur to the population density within both the city limits and the ETJ.

The City will be able to finance the necessary improvements to accommodate growth.

The projection is shown in Table 2.2 – 2032 development vehicle-mile service.

Table 2.2 – 2032 Development Vehicle-Mile Service

2032 Vehicle Miles	Residential			Industrial			Office			Retail			Total Vehicle Miles
Street Name	Dwelling Units	TDF	Vehicle Miles	GFA (SF)	TDF	Vehicle Miles	GFA (SF)	TDF	Vehicle Miles	GFA (SF)	TDF	Vehicle Miles	Total Vehicle Miles
Kerry Ln	123		285	0		0	1.8		357	0		0	642
Red Bud Dr	104		241	0		0	0.22		44	0		0	285
Walnut Creek Dr	67		155	0.18		9	0		0	0		0	164
Commerce St	0		0	1.77		88	0		0	0		0	88
Stribling Dr	274		636	0		0	0		0	0		0	636
Boyd Ct	39		90	0		0	4.7		932	0		0	1022
Kimbrough Rd	259		601	0		0	0		0	0		0	601
Harbor Dr	66		153	0		0	0		0	0		0	153
Dunaway Ln	341	2.32	791	0	1.14	0	1.7	4.55	337	0	5.79	0	1128
N Stewart St	193		448	0		0	9.95		1972	2.5		631	3051
N Ash Ave	450		1044	0		0	0		0	0		0	1044
S Ash Ave	16		37	0		0	0		0	0		0	37
Lakeview Dr	344		798	1.66		83	0		0	0		0	881
S Stewart St	429		995	0		0	0.57		113	4.74		1196	2304
Silver Creek Rd	81		188	0		0	0		0	0		0	188
Park St	84		195	0		0	0		0	0		0	195
Wells-Burnett Rd	262		608	0		0	0.61		121	0		0	729
Scotland Ave	25		58	0		0	2.86		567	0		0	625
			7323			180			4443			1827	13773

NOTES:

TDF is generated in Table 1.1 for each general land use.

Residential vehicle-miles are calculated by multiplying TDF by the number of dwelling units.

Industrial, Office, and Retail vehicle-miles are calculated by dividing the GFA by 1,000 SF and multiplying the result by the TDF.

Dwelling units and GFA were estimated from land use assumptions.



2.7 SUMMARY

The following is a bulleted summary of the land use assumptions for this study:

- The 2022 vehicle-miles of service in the study limits is:----- 11,167.
- The 2032 vehicle-miles of service in the study limits is proposed as:----- 13,773.
- The 10 year growth of service in vehicle-miles is: -----2,606.
- Full buildout will occur beyond the year 2032.



Section 3 – Roadway System Impact Fee Analysis

3.0 ROADWAY SYSTEM IMPACT FEE ANALYSIS

Roadway system impact fees are based on the capital costs a city incurs to provide the roadway system to serve development in the next 10 years and the service added during that same time period. The impact fee analysis for the roadway systems is based on existing and future capital improvement plans already budgeted for, as well as proposed capital improvement plans developed in this report.

3.1 POPULATIONS

The City of Azle's total population in 2022 is estimated to be 13,610 within the city limits. The estimated population for the roadway system population area is the total within the city limits of Azle. The city population in 2032 is projected as 16,847 roadway system service area population. This roadway system population and county parcel data was used to establish roadway system demands, which are used to determine proposed roadway system improvements.

3.2 ROADWAY SYSTEM CAPITAL IMPROVEMENTS

Proposed roadway system projects were developed as part of the capital improvements plan. These projects, less the ones that have been completed, along with new, future projects have been tabulated.

A summary of the costs for each of the projects, required for the 10-year growth period used in the impact fee analysis for the roadway system, are shown Table 3.4 – Cost Allocation for Roadway System Impact Fee Calculations.

The 2022 percent utilization, used in Table 3.1, is relative to the existing developed acreage within the city limits of Azle, Texas. The 2032 percent utilization, used in Table 3.4, is relative to the 10-year population and future developed acreage within the city limits of Azle, Texas. The growth rate, for the 2022-2032 time period, is impact eligible through growth for new roadway system.

The cost per linear foot information provided in the cost allocation tables was developed using current project pricing, for the North Central Texas area. In addition to the base cost information, 20% was added for contingencies, and 20% was added for engineering, surveying, and construction inspection fees.

The 2022 percent utilization is the portion of a project's capacity required to serve existing development. It is not included in the impact fee analysis. The 2032 percent utilization is the portion of the project's capacity that will be required to serve the City of Azle in 2032. The 2022-2032 percent utilization is the portion of the project's capacity required to serve development from 2022 to 2032. The portion of a project's total cost that is used to serve development projected to occur from 2022 through 2032 is calculated as the total actual cost multiplied by the 2022 to 2032 percent utilization. Only this portion of the cost is used in the impact fee analysis. A map of the proposed 10-year roadway system projects is located Appendix D.

Table 3.1 – Eligible Impact Fee Development

ROAD INDEX	Project Location/Area	Type --	From - To --	Length (ft)	CIP (Cost/ft)	Total CI Cost (\$)	Percent Utilization			Impact Fee Eligible
							2022	2032	'32-'22	
1	Kerry Ln	Collector	Hwy 199 - Red Bud Dr	5,347.63	\$483.73	\$2,586,810	61%	92%	31%	\$807,085
2	Red Bud Dr	Collector	N Melanie Dr - Commerce St	4,794.19	\$483.73	\$2,319,091	100%	100%	0%	\$0
3	Walnut Creek Dr	Collector	Red Bud Dr - Boyd Rd	1,253.02	\$483.73	\$606,123	100%	100%	0%	\$0
4	Commerce St	Collector	Hwy 199 - Boyd Rd	3,617.85	\$483.73	\$1,750,064	67%	93%	26%	\$462,017
5	Stribling Dr	Collector	Boyd Rd - Kimbrough Rd	6,070.26	\$483.73	\$2,936,369	94%	99%	5%	\$140,946
6	Boyd Ct	Collector	Boyd Rd - Hwy 199	1,138.91	\$483.73	\$550,923	63%	93%	30%	\$163,073
7	Kimbrough Rd	Collector	Dunaway Ln - Sportsman Park Rd	5,120.52	\$483.73	\$2,476,951	87%	97%	10%	\$257,603
8	Harbor Dr	Collector	Kimbrough Rd - Dunaway Ln	2,358.36	\$483.73	\$1,140,809	100%	100%	0%	\$0
9	Dunaway Ln	Collector	Hwy 199 - N Ash Ave	5,803.01	\$483.73	\$2,807,091	91%	98%	7%	\$202,111
10	N Stewart St	Collector	E Main St - N Ash Ave	6,179.05	\$483.73	\$2,988,992	92%	98%	6%	\$191,295
11	N Ash Ave	Collector	Dunaway Ln - Lakeview Dr	3,021.64	\$483.73	\$1,461,658	100%	100%	0%	\$0
12	S Ash Ave	Collector	Lakeview Dr - Wellington Ln	684.66	\$483.73	\$331,191	95%	99%	4%	\$13,248
13	Lakeview Dr	Collector	Denver Tr - Broadway St	5,157.61	\$483.73	\$2,494,891	42%	88%	46%	\$1,157,629
14	S Stewart St	Arterial	FM 730 S - Main St	11,771.55	\$483.73	\$5,694,253	76%	95%	19%	\$1,093,297
15	Silver Creek Rd	Collector	S Stewart St - Silver Creek Dr	3,644.36	\$483.73	\$1,762,888	57%	91%	34%	\$606,433
16	Park St	Collector	Denver Tr - S Ash Ave	2,784.04	\$483.73	\$1,346,724	29%	86%	57%	\$764,939
17	Wells Burnett Rd	Collector	Hwy 199 - Wallace Rd	3,306.60	\$483.73	\$1,599,500	94%	99%	5%	\$76,776
18	Scotland Ave	Collector	Avondale Ave - Florence Dr	3,439.74	\$483.73	\$1,663,905	72%	94%	22%	\$372,715
	Total					\$36,518,233				\$6,309,167

3.3 SERVICE ACCOUNTS

The maximum impact fee may not exceed the amount determined by dividing the cost of capital improvements required by the total number of vehicle-mile service units attributed to new development during the impact fee eligibility period.

The service associated with retail, office, and industrial area is converted into vehicle-miles, using the (GFA) of the respective land use's structure, based on current usage and estimated population growth. The service associated with residential area is converted into vehicle-miles based on dwelling units and ability to develop existing parcels. Analysis of the existing roadway system, current county parcel data, current construction, and estimated development to occur in the future are used to inform vehicle-mile data.

3.4 MAXIMUM IMPACT FEE CALCULATIONS

The maximum impact fee that can be levied is equal to the projected capital cost required to serve 10-year development divided by the projected 10-year growth in vehicle-miles within the city limits.

The total projected costs include the projected capital improvement costs to serve the 10-year development, the projected finance cost for the capital improvements, and the consultant cost for preparing and updating the capital improvements plan.

The costs for roadway systems include the following:

- Total Roadway System Capital Improvement Costs (all costs):----- \$36,518,233
- Total Eligible Roadway System Costs (new development eligible):----- \$6,309,167

The total eligible cost associated with the existing and proposed roadway system improvements to meet projected growth over the next ten years is \$6,309,167. The increase in the number of service units due to growth over the next ten years is projected as 2,606 vehicle-miles within the city limits.

$$\begin{aligned}\text{Maximum Impact Fee} &= (\text{Total Eligible Costs}) / (\text{10-Year Growth}) \\ &= (\$6,309,167) / (2,606 \text{ Vehicle-miles}) \\ &= \$2,421 \text{ per Vehicle-Mile}\end{aligned}$$

\$2,421 is the recommended Roadway System Impact Fee per vehicle-mile for the City of Azle.

3.5 EXAMPLE FEE DEVELOPMENT

Example 1) Develop 20 acres into 50 single-family houses:

$$\begin{aligned}
 (\text{Dwelling Units}) \times (\text{TDF} [\text{Vehicle-Miles} / \text{Dwelling Unit}]) &= \text{Vehicle-Mile Demand Increase} \\
 (50 \text{ dwelling units}) \times (2.32 \text{ Vehicle-Miles} / \text{Dwelling Unit}) &= 116 \text{ Vehicle-Miles} \\
 (\text{Vehicle-Mile Service Increase}) \times (\text{Impact Fee} / \text{Vehicle-Mile}) &= \text{Impact Fee} \\
 (116 \text{ Vehicle-Miles}) \times (\$2,421 / \text{Vehicle-Mile}) &= \$280,836 \text{ of Impact Fees}
 \end{aligned}$$

Example 2) Develop a 5,000 square feet industrial building:

$$\begin{aligned}
 (\text{GFA} / 1,000) \times (\text{TDF} [\text{Vehicle-Miles} / 1,000 \text{ SF GFA}]) &= \text{Vehicle-Mile Demand Increase} \\
 (5,000 \text{ SF} / 1,000) \times (1.14 \text{ Vehicle-Miles} / 1,000 \text{ SF GFA}) &= 5.7 \text{ Vehicle-Miles} \\
 (\text{Vehicle-Mile Service Increase}) \times (\text{Impact Fee} / \text{Vehicle-Mile}) &= \text{Impact Fee} \\
 (5.7 \text{ Vehicle-Miles}) \times (\$2,421 / \text{Vehicle-Mile}) &= \$13,800 \text{ of Impact Fees}
 \end{aligned}$$



Appendix A – Texas Municipal Code Governing Impact Fees (2021)



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State of Texas - Local Government Code (2021)

TITLE 12: Planning and Development

SUBTITLE C: Planning and Development Provisions

CHAPTER 395: Financing Capital Improvements

SUBCHAPTER A - General provisions

Sec. 395.001. DEFINITIONS. In this chapter:

(1) "Capital improvement" means any of the following facilities that have a life expectancy of three or more years and are owned and operated by or on behalf of a political subdivision:

(A) water supply, treatment, and distribution facilities; wastewater collection and treatment facilities; and storm water, drainage, and flood control facilities; whether or not they are located within the service area; and

(B) roadway facilities.

(2) "Capital improvements plan" means a plan required by this chapter that identifies capital improvements or facility expansions for which impact fees may be assessed.

(3) "Facility expansion" means the expansion of the capacity of an existing facility that serves the same function as an otherwise necessary new capital improvement, in order that the existing facility may serve new development. The term does not include the repair, maintenance, modernization, or expansion of an existing facility to better serve existing development.

(4) "Impact fee" means 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. The term includes amortized charges, lump-sum charges, capital recovery fees, contributions in aid of construction, and any other fee that functions as described by this definition. The term does not include:

(A) dedication of land for public parks or payment in lieu of the dedication to serve park needs;

(B) dedication of rights-of-way or easements or construction or dedication of on-site or off-site water distribution, wastewater collection or drainage facilities, or streets, sidewalks, or curbs if the dedication or construction is required by a valid ordinance and is necessitated by and attributable to the new development;

(C) lot or acreage fees to be placed in trust funds for the purpose of reimbursing developers for oversizing or constructing water or sewer mains or lines; or

(D) other pro rata fees for reimbursement of water or sewer mains or lines extended by the political subdivision.

However, an item included in the capital improvements plan may not be required to be constructed except in accordance with Section 395.019(2), and an owner may not be required to construct or dedicate facilities and to pay impact fees for those facilities.



(5) "Land use assumptions" includes a description of the service area and projections of changes in land uses, densities, intensities, and population in the service area over at least a 10-year period.

(6) "New development" means the subdivision of land; the construction, reconstruction, redevelopment, conversion, structural alteration, relocation, or enlargement of any structure; or any use or extension of the use of land; any of which increases the number of service units.

(7) "Political subdivision" means a municipality, a district or authority created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution, or, for the purposes set forth by Section 395.079, certain counties described by that section.

(8) "Roadway facilities" means arterial or collector streets or roads that have been designated on an officially adopted roadway plan of the political subdivision, together with all necessary appurtenances. The term includes the political subdivision's share of costs for roadways and associated improvements designated on the federal or Texas highway system, including local matching funds and costs related to utility line relocation and the establishment of curbs, gutters, sidewalks, drainage appurtenances, and rights-of-way.

(9) "Service area" means the area within the corporate boundaries or extraterritorial jurisdiction, as determined under Chapter 42, of the political subdivision to be served by the capital improvements or facilities expansions specified in the capital improvements plan, except roadway facilities and storm water, drainage, and flood control facilities. The service area, for the purposes of this chapter, may include all or part of the land within the political subdivision or its extraterritorial jurisdiction, except for roadway facilities and storm water, drainage, and flood control facilities. For roadway facilities, the service area is limited to an area within the corporate boundaries of the political subdivision and shall not exceed six miles. For storm water, drainage, and flood control facilities, the service area may include all or part of the land within the political subdivision or its extraterritorial jurisdiction, but shall not exceed the area actually served by the storm water, drainage, and flood control facilities designated in the capital improvements plan and shall not extend across watershed boundaries.

(10) "Service unit" means a standardized measure of consumption, use, generation, or discharge attributable to an individual unit of development calculated in accordance with generally accepted engineering or planning standards and based on historical data and trends applicable to the political subdivision in which the individual unit of development is located during the previous 10 years.

SUBCHAPTER B - AUTHORIZATION OF IMPACT FEE

Sec. 395.011. AUTHORIZATION OF FEE.

(a) Unless otherwise specifically authorized by state law or this chapter, a governmental entity or political subdivision may not enact or impose an impact fee.

(b) Political subdivisions may enact or impose impact fees on land within their corporate boundaries or extraterritorial jurisdictions only by complying with this chapter, except that impact fees may not be enacted or imposed in the extraterritorial jurisdiction for roadway facilities.

(c) A municipality may contract to provide capital improvements, except roadway facilities, to an area outside its corporate boundaries and extraterritorial jurisdiction and may charge an impact fee under the contract, but if an impact fee is charged in that area, the municipality must comply with this chapter.



Sec. 395.012. ITEMS PAYABLE BY FEE.

(a) An impact fee may be imposed only to pay the costs of constructing capital improvements or facility expansions, including and limited to the:

- (1) construction contract price;
- (2) surveying and engineering fees;
- (3) land acquisition costs, including land purchases, court awards and costs, attorney's fees, and expert witness fees; and
- (4) fees actually paid or contracted to be paid to an independent qualified engineer or financial consultant preparing or updating the capital improvements plan who is not an employee of the political subdivision.

(b) Projected interest charges and other finance costs may be included in determining the amount of impact fees only if the impact fees are used for the payment of principal and interest on bonds, notes, or other obligations issued by or on behalf of the political subdivision to finance the capital improvements or facility expansions identified in the capital improvements plan and are not used to reimburse bond funds expended for facilities that are not identified in the capital improvements plan.

(c) Notwithstanding any other provision of this chapter, the Edwards Underground Water District or a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may use impact fees to pay a staff engineer who prepares or updates a capital improvements plan under this chapter.

(d) A municipality may pledge an impact fee as security for the payment of debt service on a bond, note, or other obligation issued to finance a capital improvement or public facility expansion if:

- (1) the improvement or expansion is identified in a capital improvements plan; and
- (2) at the time of the pledge, the governing body of the municipality certifies in a written order, ordinance, or resolution that none of the impact fee will be used or expended for an improvement or expansion not identified in the plan.

(e) A certification under Subsection (d)(2) is sufficient evidence that an impact fee pledged will not be used or expended for an improvement or expansion that is not identified in the capital improvements plan.

Sec. 395.013. ITEMS NOT PAYABLE BY FEE.

Impact fees may not be adopted or used to pay for:

- (1) construction, acquisition, or expansion of public facilities or assets other than capital improvements or facility expansions identified in the capital improvements plan;
- (2) repair, operation, or maintenance of existing or new capital improvements or facility expansions;
- (3) upgrading, updating, expanding, or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental, or regulatory standards;
- (4) upgrading, updating, expanding, or replacing existing capital improvements to provide better service



to existing development;

(5) administrative and operating costs of the political subdivision, except the Edwards Underground Water District or a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may use impact fees to pay its administrative and operating costs;

(6) principal payments and interest or other finance charges on bonds or other indebtedness, except as allowed by Section 395.012.

Sec. 395.014. CAPITAL IMPROVEMENTS PLAN.

(a) The political subdivision shall use qualified professionals to prepare the capital improvements plan and to calculate the impact fee. The capital improvements plan must contain specific enumeration of the following items:

(1) a description of the existing capital improvements within the service area and the costs to upgrade, update, improve, expand, or replace the improvements to meet existing needs and usage and stricter safety, efficiency, environmental, or regulatory standards, which shall be prepared by a qualified professional engineer licensed to perform the professional engineering services in this state;

(2) an analysis of the total capacity, the level of current usage, and commitments for usage of capacity of the existing capital improvements, which shall be prepared by a qualified professional engineer licensed to perform the professional engineering services in this state;

(3) a description of all or the parts of the capital improvements or facility expansions and their costs necessitated by and attributable to new development in the service area based on the approved land use assumptions, which shall be prepared by a qualified professional engineer licensed to perform the professional engineering services in this state;

(4) a definitive table establishing the specific level or quantity of use, consumption, generation, or discharge of a service unit for each category of capital improvements or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial;

(5) the total number of projected service units necessitated by and attributable to new development within the service area based on the approved land use assumptions and calculated in accordance with generally accepted engineering or planning criteria;

(6) the projected demand for capital improvements or facility expansions required by new service units projected over a reasonable period of time, not to exceed 10 years; and

(7) a plan for awarding:

(A) a credit for the portion of ad valorem tax and utility service revenues generated by new service units during the program period that is used for the payment of improvements, including the payment of debt, that are included in the capital improvements plan; or

(B) in the alternative, a credit equal to 50 percent of the total projected cost of implementing the capital improvements plan.

(b) The analysis required by Subsection (a)(3) may be prepared on a systemwide basis within the service area for each major category of capital improvement or facility expansion for the designated service area.

(c) The governing body of the political subdivision is responsible for supervising the implementation of

the capital improvements plan in a timely manner.

Sec. 395.015. MAXIMUM FEE PER SERVICE UNIT.

(a) The impact fee per service unit may not exceed the amount determined by subtracting the amount in Section 395.014(a)(7) from the costs of the capital improvements described by Section 395.014(a)(3) and dividing that amount by the total number of projected service units described by Section 395.014(a)(5).

(b) If the number of new service units projected over a reasonable period of time is less than the total number of new service units shown by the approved land use assumptions at full development of the service area, the maximum impact fee per service unit shall be calculated by dividing the costs of the part of the capital improvements necessitated by and attributable to projected new service units described by Section 395.014(a)(6) by the projected new service units described in that section.

Sec. 395.016. TIME FOR ASSESSMENT AND COLLECTION OF FEE.

(a) This subsection applies only to impact fees adopted and land platted before June 20, 1987. For land that has been platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision before June 20, 1987, or land on which new development occurs or is proposed without platting, the political subdivision may assess the impact fees at any time during the development approval and building process. Except as provided by Section 395.019, the political subdivision may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political subdivision issues either the building permit or the certificate of occupancy.

(b) This subsection applies only to impact fees adopted before June 20, 1987, and land platted after that date. For new development which is platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision after June 20, 1987, the political subdivision may assess the impact fees before or at the time of recordation. Except as provided by Section 395.019, the political subdivision may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political subdivision issues either the building permit or the certificate of occupancy.

(c) This subsection applies only to impact fees adopted after June 20, 1987. For new development which is platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision before the adoption of an impact fee, an impact fee may not be collected on any service unit for which a valid building permit is issued within one year after the date of adoption of the impact fee.

(d) This subsection applies only to land platted in accordance with Subchapter A, Chapter 212, or the subdivision or platting procedures of a political subdivision after adoption of an impact fee adopted after June 20, 1987. The political subdivision shall assess the impact fees before or at the time of recordation of a subdivision plat or other plat under Subchapter A, Chapter 212, or the subdivision or platting ordinance or procedures of any political subdivision in the official records of the county clerk of the county in which the tract is located. Except as provided by Section 395.019, if the political subdivision has water and wastewater capacity available:

(1) the political subdivision shall collect the fees at the time the political subdivision issues a building permit;

(2) for land platted outside the corporate boundaries of a municipality, the municipality shall collect the fees at the time an application for an individual meter connection to the municipality's water or

wastewater system is filed; or

(3) a political subdivision that lacks authority to issue building permits in the area where the impact fee applies shall collect the fees at the time an application is filed for an individual meter connection to the political subdivision's water or wastewater system.

(e) For land on which new development occurs or is proposed to occur without platting, the political subdivision may assess the impact fees at any time during the development and building process and may collect the fees at either the time of recordation of the subdivision plat or connection to the political subdivision's water or sewer system or at the time the political subdivision issues either the building permit or the certificate of occupancy.

(f) An "assessment" means a determination of the amount of the impact fee in effect on the date of occurrence provided in this section and is the maximum amount that can be charged per service unit of such development. No specific act by the political subdivision is required.

(g) Notwithstanding Subsections (a)-(e) and Section 395.017, the political subdivision may reduce or waive an impact fee for any service unit that would qualify as affordable housing under 42 U.S.C. Section 12745, as amended, once the service unit is constructed. If affordable housing as defined by 42 U.S.C. Section 12745, as amended, is not constructed, the political subdivision may reverse its decision to waive or reduce the impact fee, and the political subdivision may assess an impact fee at any time during the development approval or building process or after the building process if an impact fee was not already assessed.

Sec. 395.017. ADDITIONAL FEE PROHIBITED; EXCEPTION.

After assessment of the impact fees attributable to the new development or execution of an agreement for payment of impact fees, additional impact fees or increases in fees may not be assessed against the tract for any reason unless the number of service units to be developed on the tract increases. In the event of the increase in the number of service units, the impact fees to be imposed are limited to the amount attributable to the additional service units.

Sec. 395.018. AGREEMENT WITH OWNER REGARDING PAYMENT.

A political subdivision is authorized to enter into an agreement with the owner of a tract of land for which the plat has been recorded providing for the time and method of payment of the impact fees.

Sec. 395.019. COLLECTION OF FEES IF SERVICES NOT AVAILABLE.

Except for roadway facilities, impact fees may be assessed but may not be collected in areas where services are not currently available unless:

(1) the collection is made to pay for a capital improvement or facility expansion that has been identified in the capital improvements plan and the political subdivision commits to commence construction within two years, under duly awarded and executed contracts or commitments of staff time covering substantially all of the work required to provide service, and to have the service available within a reasonable period of time considering the type of capital improvement or facility expansion to be constructed, but in no event longer than five years;

(2) the political subdivision agrees that the owner of a new development may construct or finance the capital improvements or facility expansions and agrees that the costs incurred or funds advanced will be credited against the impact fees otherwise due from the new development or agrees to reimburse the owner for such costs from impact fees paid from other new developments that will use such capital

improvements or facility expansions, which fees shall be collected and reimbursed to the owner at the time the other new development records its plat; or

(3) an owner voluntarily requests the political subdivision to reserve capacity to serve future development, and the political subdivision and owner enter into a valid written agreement.

Sec. 395.020. ENTITLEMENT TO SERVICES.

Any new development for which an impact fee has been paid is entitled to the permanent use and benefit of the services for which the fee was exacted and is entitled to receive immediate service from any existing facilities with actual capacity to serve the new service units, subject to compliance with other valid regulations.

Sec. 395.021. AUTHORITY OF POLITICAL SUBDIVISIONS TO SPEND FUNDS TO REDUCE FEES.

Political subdivisions may spend funds from any lawful source to pay for all or a part of the capital improvements or facility expansions to reduce the amount of impact fees.

Sec. 395.022. AUTHORITY OF POLITICAL SUBDIVISION TO PAY FEES.

(a) Political subdivisions and other governmental entities may pay impact fees imposed under this chapter.

(b) A school district is not required to pay impact fees imposed under this chapter unless the board of trustees of the district consents to the payment of the fees by entering a contract with the political subdivision that imposes the fees. The contract may contain terms the board of trustees considers advisable to provide for the payment of the fees.

Sec. 395.023. CREDITS AGAINST ROADWAY FACILITIES FEES.

Any construction of, contributions to, or dedications of off-site roadway facilities agreed to or required by a political subdivision as a condition of development approval shall be credited against roadway facilities impact fees otherwise due from the development.

Sec. 395.024. ACCOUNTING FOR FEES AND INTEREST.

(a) The order, ordinance, or resolution levying an impact fee must provide that all funds collected through the adoption of an impact fee shall be deposited in interest-bearing accounts clearly identifying the category of capital improvements or facility expansions within the service area for which the fee was adopted.

(b) Interest earned on impact fees is considered funds of the account on which it is earned and is subject to all restrictions placed on use of impact fees under this chapter.

(c) Impact fee funds may be spent only for the purposes for which the impact fee was imposed as shown by the capital improvements plan and as authorized by this chapter.

(d) The records of the accounts into which impact fees are deposited shall be open for public inspection and copying during ordinary business hours.

Sec. 395.025. REFUNDS.

(a) On the request of an owner of the property on which an impact fee has been paid, the political subdivision shall refund the impact fee if existing facilities are available and service is denied or the political subdivision has, after collecting the fee when service was not available, failed to commence construction within two years or service is not available within a reasonable period considering the type

of capital improvement or facility expansion to be constructed, but in no event later than five years from the date of payment under Section 395.019(1).

(b) Repealed by Acts 2001, 77th Leg., ch. 345, Sec. 9, eff. Sept. 1, 2001.

(c) The political subdivision shall refund any impact fee or part of it that is not spent as authorized by this chapter within 10 years after the date of payment.

(d) Any refund shall bear interest calculated from the date of collection to the date of refund at the statutory rate as set forth in Section 302.002, Finance Code, or its successor statute.

(e) All refunds shall be made to the record owner of the property at the time the refund is paid. However, if the impact fees were paid by another political subdivision or governmental entity, payment shall be made to the political subdivision or governmental entity.

(f) The owner of the property on which an impact fee has been paid or another political subdivision or governmental entity that paid the impact fee has standing to sue for a refund under this section.

SUBCHAPTER C - PROCEDURES FOR ADOPTION OF IMPACT FEE

Sec. 395.041. COMPLIANCE WITH PROCEDURES REQUIRED.

Except as otherwise provided by this chapter, a political subdivision must comply with this subchapter to levy an impact fee.

Sec. 395.0411. CAPITAL IMPROVEMENTS PLAN.

The political subdivision shall provide for a capital improvements plan to be developed by qualified professionals using generally accepted engineering and planning practices in accordance with Section 395.014.

Sec. 395.042. HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN.

To impose an impact fee, a political subdivision must adopt an order, ordinance, or resolution establishing a public hearing date to consider the land use assumptions and capital improvements plan for the designated service area.

Sec. 395.043. INFORMATION ABOUT LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN AVAILABLE TO PUBLIC.

On or before the date of the first publication of the notice of the hearing on the land use assumptions and capital improvements plan, the political subdivision shall make available to the public its land use assumptions, the time period of the projections, and a description of the capital improvement facilities that may be proposed.

Sec. 395.044. NOTICE OF HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN.

(a) Before the 30th day before the date of the hearing on the land use assumptions and capital improvements plan, the political subdivision shall send a notice of the hearing by certified mail to any person who has given written notice by certified or registered mail to the municipal secretary or other designated official of the political subdivision requesting notice of the hearing within two years preceding the date of adoption of the order, ordinance, or resolution setting the public hearing.

(b) The political subdivision shall publish notice of the hearing before the 30th day before the date set for the hearing, in one or more newspapers of general circulation in each county in which the political

subdivision lies. However, a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may publish the required newspaper notice only in each county in which the service area lies.

(c) The notice must contain:

(1) a headline to read as follows:

"NOTICE OF PUBLIC HEARING ON LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN RELATING TO POSSIBLE ADOPTION OF IMPACT FEES"

(2) the time, date, and location of the hearing;

(3) a statement that the purpose of the hearing is to consider the land use assumptions and capital improvements plan under which an impact fee may be imposed; and

(4) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the land use assumptions and capital improvements plan.

Sec. 395.045. APPROVAL OF LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN REQUIRED.

(a) After the public hearing on the land use assumptions and capital improvements plan, the political subdivision shall determine whether to adopt or reject an ordinance, order, or resolution approving the land use assumptions and capital improvements plan.

(b) The political subdivision, within 30 days after the date of the public hearing, shall approve or disapprove the land use assumptions and capital improvements plan.

(c) An ordinance, order, or resolution approving the land use assumptions and capital improvements plan may not be adopted as an emergency measure.

Sec. 395.0455. SYSTEMWIDE LAND USE ASSUMPTIONS.

(a) In lieu of adopting land use assumptions for each service area, a political subdivision may, except for storm water, drainage, flood control, and roadway facilities, adopt system wide land use assumptions, which cover all of the area subject to the jurisdiction of the political subdivision for the purpose of imposing impact fees under this chapter.

(b) Prior to adopting system wide land use assumptions, a political subdivision shall follow the public notice, hearing, and other requirements for adopting land use assumptions.

(c) After adoption of system wide land use assumptions, a political subdivision is not required to adopt additional land use assumptions for a service area for water supply, treatment, and distribution facilities or wastewater collection and treatment facilities as a prerequisite to the adoption of a capital improvements plan or impact fee, provided the capital improvements plan and impact fee are consistent with the systemwide land use assumptions.

Sec. 395.047. HEARING ON IMPACT FEE.

On adoption of the land use assumptions and capital improvements plan, the governing body shall adopt an order or resolution setting a public hearing to discuss the imposition of the impact fee. The public hearing must be held by the governing body of the political subdivision to discuss the proposed ordinance, order, or resolution imposing an impact fee.

Sec. 395.049. NOTICE OF HEARING ON IMPACT FEE.



(a) Before the 30th day before the date of the hearing on the imposition of an impact fee, the political subdivision shall send a notice of the hearing by certified mail to any person who has given written notice by certified or registered mail to the municipal secretary or other designated official of the political subdivision requesting notice of the hearing within two years preceding the date of adoption of the order or resolution setting the public hearing.

(b) The political subdivision shall publish notice of the hearing before the 30th day before the date set for the hearing, in one or more newspapers of general circulation in each county in which the political subdivision lies. However, a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may publish the required newspaper notice only in each county in which the service area lies.

(c) The notice must contain the following:

(1) a headline to read as follows:

"NOTICE OF PUBLIC HEARING ON ADOPTION OF IMPACT FEES"

(2) the time, date, and location of the hearing;

(3) a statement that the purpose of the hearing is to consider the adoption of an impact fee;

(4) the amount of the proposed impact fee per service unit; and

(5) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the plan and proposed fee.

Sec. 395.050. ADVISORY COMMITTEE COMMENTS ON IMPACT FEES.

The advisory committee created under Section 395.058 shall file its written comments on the proposed impact fees before the fifth business day before the date of the public hearing on the imposition of the fees.

Sec. 395.051. APPROVAL OF IMPACT FEE REQUIRED.

(a) The political subdivision, within 30 days after the date of the public hearing on the imposition of an impact fee, shall approve or disapprove the imposition of an impact fee.

(b) An ordinance, order, or resolution approving the imposition of an impact fee may not be adopted as an emergency measure.

Sec. 395.052. PERIODIC UPDATE OF LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN REQUIRED.

(a) A political subdivision imposing an impact fee shall update the land use assumptions and capital improvements plan at least every five years. The initial five-year period begins on the day the capital improvements plan is adopted.

(b) The political subdivision shall review and evaluate its current land use assumptions and shall cause an update of the capital improvements plan to be prepared in accordance with Subchapter B.

Sec. 395.053. HEARING ON UPDATED LAND USE ASSUMPTIONS AND CAPITAL IMPROVEMENTS PLAN. The governing body of the political subdivision shall, within 60 days after the date it receives the update of the land use assumptions and the capital improvements plan, adopt an order setting a public hearing to discuss and review the update and shall determine whether to amend the plan.

Sec. 395.054. HEARING ON AMENDMENTS TO LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, OR IMPACT FEE.

A public hearing must be held by the governing body of the political subdivision to discuss the proposed ordinance, order, or resolution amending land use assumptions, the capital improvements plan, or the impact fee. On or before the date of the first publication of the notice of the hearing on the amendments, the land use assumptions and the capital improvements plan, including the amount of any proposed amended impact fee per service unit, shall be made available to the public.

Sec. 395.055. NOTICE OF HEARING ON AMENDMENTS TO LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, OR IMPACT FEE.

(a) The notice and hearing procedures prescribed by Sections 395.044(a) and (b) apply to a hearing on the amendment of land use assumptions, a capital improvements plan, or an impact fee.

(b) The notice of a hearing under this section must contain the following:

(1) a headline to read as follows:

"NOTICE OF PUBLIC HEARING ON AMENDMENT OF IMPACT FEES"

(2) the time, date, and location of the hearing;

(3) a statement that the purpose of the hearing is to consider the amendment of land use assumptions and a capital improvements plan and the imposition of an impact fee; and

(4) a statement that any member of the public has the right to appear at the hearing and present evidence for or against the update.

Sec. 395.056. ADVISORY COMMITTEE COMMENTS ON AMENDMENTS.

The advisory committee created under Section 395.058 shall file its written comments on the proposed amendments to the land use assumptions, capital improvements plan, and impact fee before the fifth business day before the date of the public hearing on the amendments.

Sec. 395.057. APPROVAL OF AMENDMENTS REQUIRED.

(a) The political subdivision, within 30 days after the date of the public hearing on the amendments, shall approve or disapprove the amendments of the land use assumptions and the capital improvements plan and modification of an impact fee.

(b) An ordinance, order, or resolution approving the amendments to the land use assumptions, the capital improvements plan, and imposition of an impact fee may not be adopted as an emergency measure.

Sec. 395.0575. DETERMINATION THAT NO UPDATE OF LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN OR IMPACT FEES IS NEEDED.

(a) If, at the time an update under Section 395.052 is required, the governing body determines that no change to the land use assumptions, capital improvements plan, or impact fee is needed, it may, as an alternative to the updating requirements of Sections 395.052-395.057, do the following:

(1) The governing body of the political subdivision shall, upon determining that an update is unnecessary and 60 days before publishing the final notice under this section, send notice of its determination not to update the land use assumptions, capital improvements plan, and impact fee by certified mail to any person who has, within two years preceding the date that the final notice of this matter is to be

published, give written notice by certified or registered mail to the municipal secretary or other designated official of the political subdivision requesting notice of hearings related to impact fees. The notice must contain the information in Subsections (b)(2)-(5).

(2) The political subdivision shall publish notice of its determination once a week for three consecutive weeks in one or more newspapers with general circulation in each county in which the political subdivision lies. However, a river authority that is authorized elsewhere by state law to charge fees that function as impact fees may publish the required newspaper notice only in each county in which the service area lies. The notice of public hearing may not be in the part of the paper in which legal notices and classified ads appear and may not be smaller than one-quarter page of a standard-size or tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type.

(b) The notice must contain the following:

(1) a headline to read as follows:

"NOTICE OF DETERMINATION NOT TO UPDATE LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENTS PLAN, OR IMPACT FEES";

(2) a statement that the governing body of the political subdivision has determined that no change to the land use assumptions, capital improvements plan, or impact fee is necessary;

(3) an easily understandable description and a map of the service area in which the updating has been determined to be unnecessary;

(4) a statement that if, within a specified date, which date shall be at least 60 days after publication of the first notice, a person makes a written request to the designated official of the political subdivision requesting that the land use assumptions, capital improvements plan, or impact fee be updated, the governing body must comply with the request by following the requirements of Sections 395.052-395.057; and

(5) a statement identifying the name and mailing address of the official of the political subdivision to whom a request for an update should be sent.

(c) The advisory committee shall file its written comments on the need for updating the land use assumptions, capital improvements plan, and impact fee before the fifth business day before the earliest notice of the government's decision that no update is necessary is mailed or published.

(d) If, by the date specified in Subsection (b)(4), a person requests in writing that the land use assumptions, capital improvements plan, or impact fee be updated, the governing body shall cause an update of the land use assumptions and capital improvements plan to be prepared in accordance with Sections 395.052-395.057.

(e) An ordinance, order, or resolution determining the need for updating land use assumptions, a capital improvements plan, or an impact fee may not be adopted as an emergency measure.

Sec. 395.058. ADVISORY COMMITTEE.

(a) On or before the date on which the order, ordinance, or resolution is adopted under Section 395.042, the political subdivision shall appoint a capital improvements advisory committee.

(b) The advisory committee is composed of not less than five members who shall be appointed by a majority vote of the governing body of the political subdivision. Not less than 40 percent of the membership of the advisory committee must be representatives of the real estate, development, or building industries who

are not employees or officials of a political subdivision or governmental entity. If the political subdivision has a planning and zoning commission, the commission may act as the advisory committee if the commission includes at least one representative of the real estate, development, or building industry who is not an employee or official of a political subdivision or governmental entity. If no such representative is a member of the planning and zoning commission, the commission may still act as the advisory committee if at least one such representative is appointed by the political subdivision as an ad hoc voting member of the planning and zoning commission when it acts as the advisory committee. If the impact fee is to be applied in the extraterritorial jurisdiction of the political subdivision, the membership must include a representative from that area.

(c) The advisory committee serves in an advisory capacity and is established to:

- (1) advise and assist the political subdivision in adopting land use assumptions;
- (2) review the capital improvements plan and file written comments;
- (3) monitor and evaluate implementation of the capital improvements plan;
- (4) file semiannual reports with respect to the progress of the capital improvements plan and report to the political subdivision any perceived inequities in implementing the plan or imposing the impact fee; and
- (5) advise the political subdivision of the need to update or revise the land use assumptions, capital improvements plan, and impact fee.

(d) The political subdivision shall make available to the advisory committee any professional reports with respect to developing and implementing the capital improvements plan.

(e) The governing body of the political subdivision shall adopt procedural rules for the advisory committee to follow in carrying out its duties.

SUBCHAPTER D – OTHER PROVISIONS

Sec. 395.071. DUTIES TO BE PERFORMED WITHIN TIME LIMITS.

If the governing body of the political subdivision does not perform a duty imposed under this chapter within the prescribed period, a person who has paid an impact fee or an owner of land on which an impact fee has been paid has the right to present a written request to the governing body of the political subdivision stating the nature of the unperformed duty and requesting that it be performed within 60 days after the date of the request. If the governing body of the political subdivision finds that the duty is required under this chapter and is late in being performed, it shall cause the duty to commence within 60 days after the date of the request and continue until completion.

Sec. 395.072. RECORDS OF HEARINGS.

A record must be made of any public hearing provided for by this chapter. The record shall be maintained and be made available for public inspection by the political subdivision for at least 10 years after the date of the hearing.

Sec. 395.073. CUMULATIVE EFFECT OF STATE AND LOCAL RESTRICTIONS.

Any state or local restrictions that apply to the imposition of an impact fee in a political subdivision where an impact fee is proposed are cumulative with the restrictions in this chapter.



Sec. 395.074. PRIOR IMPACT FEES REPLACED BY FEES UNDER THIS CHAPTER.

An impact fee that is in place on June 20, 1987, must be replaced by an impact fee made under this chapter on or before June 20, 1990. However, any political subdivision having an impact fee that has not been replaced under this chapter on or before June 20, 1988, is liable to any party who, after June 20, 1988, pays an impact fee that exceeds the maximum permitted under Subchapter B by more than 10 percent for an amount equal to two times the difference between the maximum impact fee allowed and the actual impact fee imposed, plus reasonable attorney's fees and court costs.

Sec. 395.075. NO EFFECT ON TAXES OR OTHER CHARGES.

This chapter does not prohibit, affect, or regulate any tax, fee, charge, or assessment specifically authorized by state law.

Sec. 395.076. MORATORIUM ON DEVELOPMENT PROHIBITED.

A moratorium may not be placed on new development for the purpose of awaiting the completion of all or any part of the process necessary to develop, adopt, or update land use assumptions, a capital improvements plan, or an impact fee.

Sec. 395.077. APPEALS.

(a) A person who has exhausted all administrative remedies within the political subdivision and who is aggrieved by a final decision is entitled to trial de novo under this chapter.

(b) A suit to contest an impact fee must be filed within 90 days after the date of adoption of the ordinance, order, or resolution establishing the impact fee.

(c) Except for roadway facilities, a person who has paid an impact fee or an owner of property on which an impact fee has been paid is entitled to specific performance of the services by the political subdivision for which the fee was paid.

(d) This section does not require construction of a specific facility to provide the services.

(e) Any suit must be filed in the county in which the major part of the land area of the political subdivision is located. A successful litigant shall be entitled to recover reasonable attorney's fees and court costs.

Sec. 395.078. SUBSTANTIAL COMPLIANCE WITH NOTICE REQUIREMENTS.

An impact fee may not be held invalid because the public notice requirements were not complied with if compliance was substantial and in good faith.

Sec. 395.079. IMPACT FEE FOR STORM WATER, DRAINAGE, AND FLOOD CONTROL IN POPULOUS COUNTY.

(a) Any county that has a population of 3.3 million or more or that borders a county with a population of 3.3 million or more, and any district or authority created under Article XVI, Section 59, of the Texas Constitution within any such county that is authorized to provide storm water, drainage, and flood control facilities, is authorized to impose impact fees to provide storm water, drainage, and flood control improvements necessary to accommodate new development.

(b) The imposition of impact fees authorized by Subsection (a) is exempt from the requirements of Sections 395.025, 395.052-395.057, and 395.074 unless the political subdivision proposes to increase the impact fee.

(c) Any political subdivision described by Subsection (a) is authorized to pledge or otherwise contractually

obligate all or part of the impact fees to the payment of principal and interest on bonds, notes, or other obligations issued or incurred by or on behalf of the political subdivision and to the payment of any other contractual obligations.

(d) An impact fee adopted by a political subdivision under Subsection (a) may not be reduced if:

- (1) the political subdivision has pledged or otherwise contractually obligated all or part of the impact fees to the payment of principal and interest on bonds, notes, or other obligations issued by or on behalf of the political subdivision; and
- (2) the political subdivision agrees in the pledge or contract not to reduce the impact fees during the term of the bonds, notes, or other contractual obligations.

Sec. 395.080. CHAPTER NOT APPLICABLE TO CERTAIN WATER-RELATED SPECIAL DISTRICTS.

(a) This chapter does not apply to impact fees, charges, fees, assessments, or contributions:

- (1) paid by or charged to a district created under Article XVI, Section 59, of the Texas Constitution to another district created under that constitutional provision if both districts are required by law to obtain approval of their bonds by the Texas Natural Resource Conservation Commission; or
- (2) charged by an entity if the impact fees, charges, fees, assessments, or contributions are approved by the Texas Natural Resource Conservation Commission.

(b) Any district created under Article XVI, Section 59, or Article III, Section 52, of the Texas Constitution may petition the Texas Natural Resource Conservation Commission for approval of any proposed impact fees, charges, fees, assessments, or contributions. The commission shall adopt rules for reviewing the petition and may charge the petitioner fees adequate to cover the cost of processing and considering the petition. The rules shall require notice substantially the same as that required by this chapter for the adoption of impact fees and shall afford opportunity for all affected parties to participate.

Sec. 395.081. FEES FOR ADJOINING LANDOWNERS IN CERTAIN MUNICIPALITIES.

(a) This section applies only to a municipality with a population of 115,000 or less that constitutes more than three-fourths of the population of the county in which the majority of the area of the municipality is located.

(b) A municipality that has not adopted an impact fee under this chapter that is constructing a capital improvement, including sewer or waterline or drainage or roadway facilities, from the municipality to a development located within or outside the municipality's boundaries, in its discretion, may allow a landowner whose land adjoins the capital improvement or is within a specified distance from the capital improvement, as determined by the governing body of the municipality, to connect to the capital improvement if:

- (1) the governing body of the municipality has adopted a finding under Subsection (c); and
- (2) the landowner agrees to pay a proportional share of the cost of the capital improvement as determined by the governing body of the municipality and agreed to by the landowner.

(c) Before a municipality may allow a landowner to connect to a capital improvement under Subsection (b), the municipality shall adopt a finding that the municipality will benefit from allowing the landowner to connect to the capital improvement. The finding shall describe the benefit to be received by the municipality.

(d) A determination of the governing body of a municipality, or its officers or employees, under this section is a discretionary function of the municipality and the municipality and its officers or employees are not liable for a determination made under this section.



Appendix B - 2022 Existing Land Use Plan



1508 Santa Fe, Suite 203 • Weatherford, Texas 76086
www.jacobmartin.com • (817) 594-9880



505 W. Main Street • Azle, Texas 76020
www.cityofazle.org • (817) 444-2541

CITY OF AZLE

2022 EXISTING LAND
USE MAP

JANUARY 2023

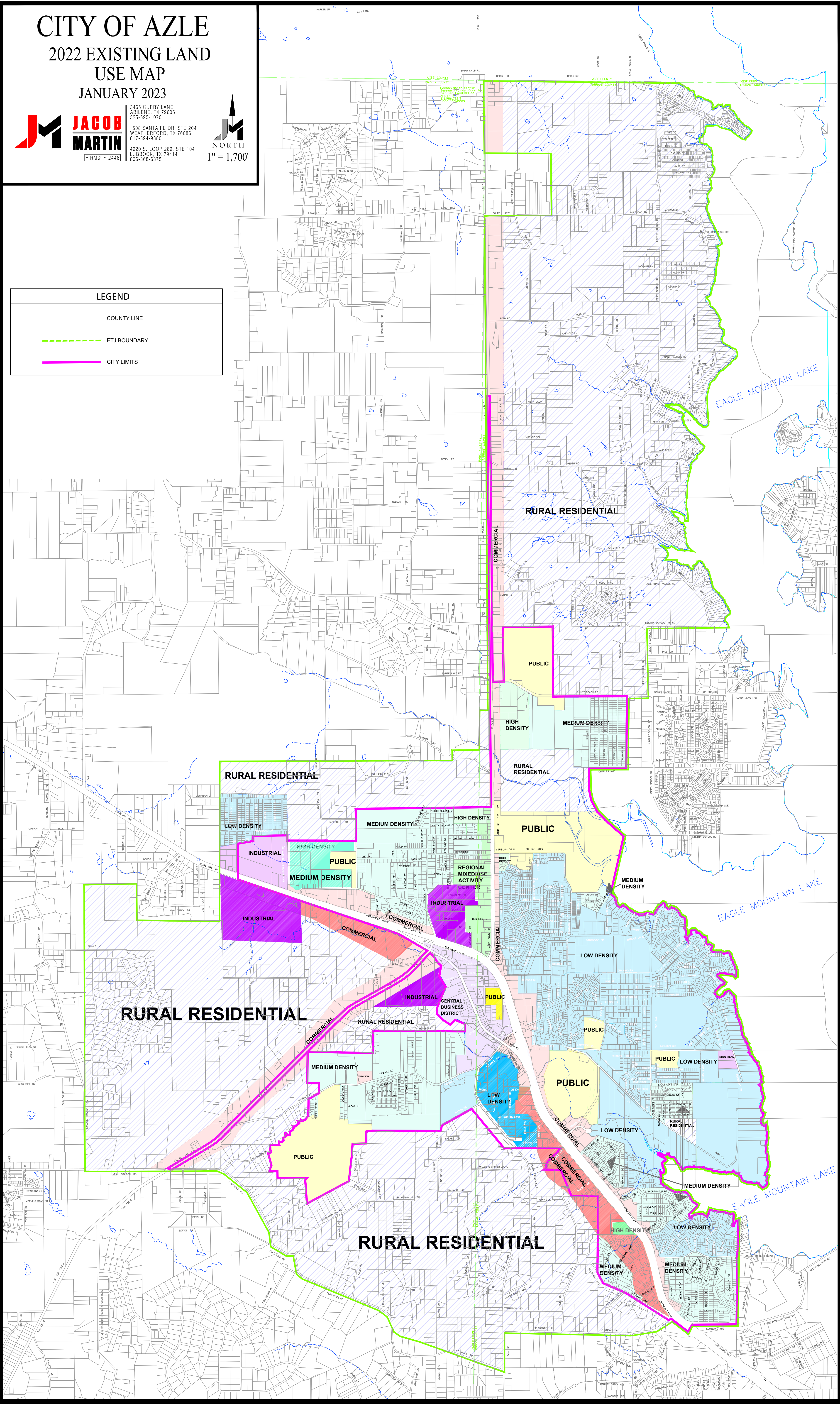


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4920 S. LOOP 289, STE 104
LUBBOCK, TX 79414
806-368-6373



LEGEND

- COUNTY LINE
- ETJ BOUNDARY
- CITY LIMITS



Appendix C - 2022 Proposed Land Use Plan



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CITY OF AZLE

2032 PROPOSED LAND
USE MAP

JANUARY 2023

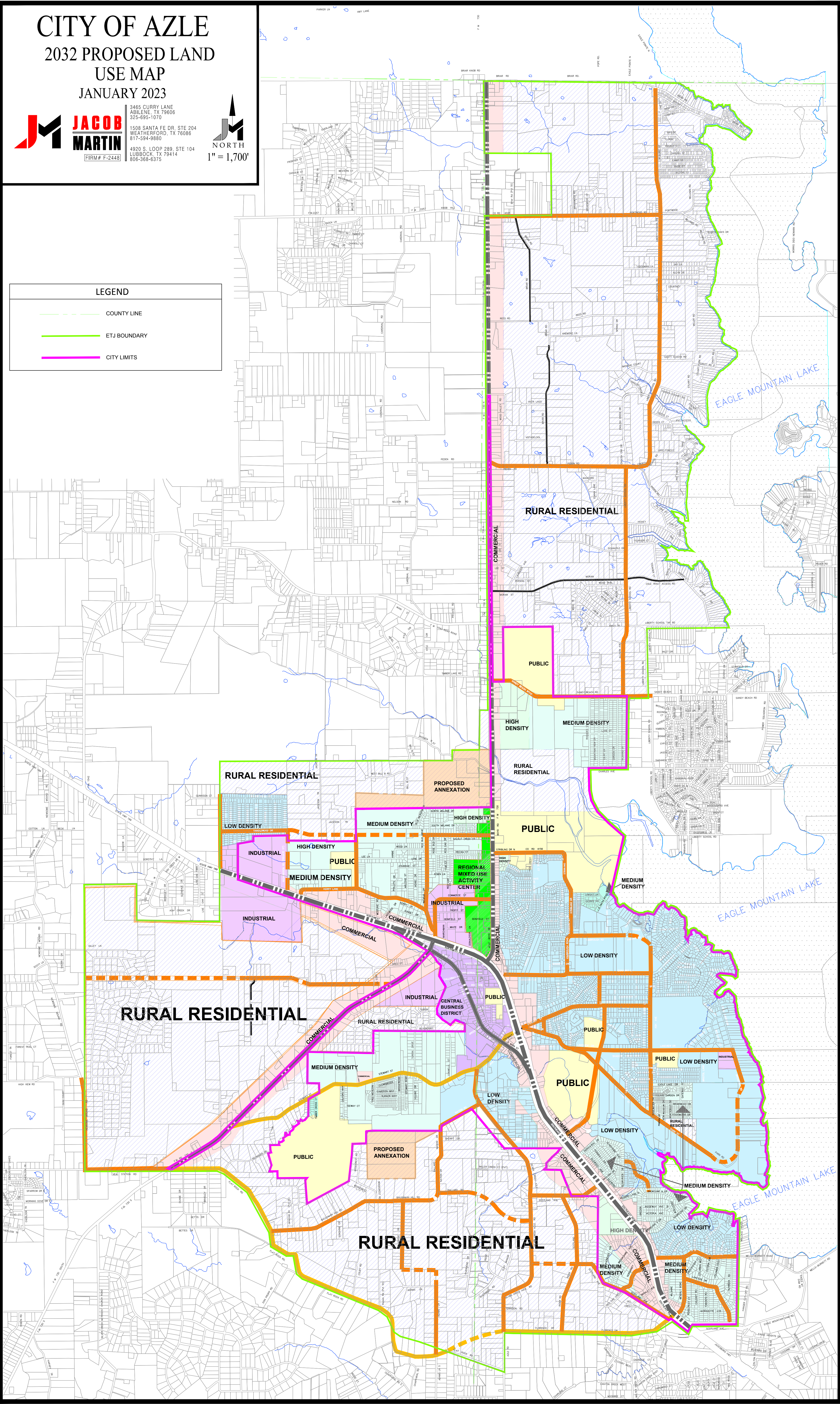


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LEGEND

- COUNTY LINE
- ETJ BOUNDARY
- CITY LIMITS



Appendix D - Roadway System Impact Fee Capital Improvements Plan



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