



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** June 26, 2017

SUBJECT: Public Hearing and Adopt Ordinance No. 3467, Amending Chapter 110, Article XIX, Impact Fees, Appendix A, Fee Schedule of the Code of Ordinances of the City of North Richland Hills to reflect the revised City of Fort Worth impact fees.

PRESENTER: Mike Curtis, Managing Director of Public Works

SUMMARY:

City Council is being asked to hold a Public Hearing to amend the impact fee schedule located in Chapter 110, Article XIX, Impact Fees, Appendix A to reflect new impact fees adopted by the City of Fort Worth. The new fees are Fort Worth impact fees required to be collected from all Fort Worth wholesale customers including North Richland Hills.

GENERAL DESCRIPTION:

As Council is aware the city purchases treated water and wastewater treatment from the City of Fort Worth ("Fort Worth"). All wholesale customers including North Richland Hills ("NRH") must comply with the Wholesale Agreement that requires Fort Worth impact fees be charged and collected for every new water meter installed within NRH. The Fort Worth impact fee is in addition to the NRH impact fee.

Currently the Fort Worth impact fee is \$921 per $\frac{3}{4}$ inch water meter. Since NRH gets a portion of its water from Fort Worth and a portion from the Trinity River Authority (TRA) it is only required to collect a percentage of the total Fort Worth impact fee based on the percentage of water purchased from Fort Worth. Currently, about half of NRH water is purchased from Fort Worth.

The City of Fort Worth adopted new impact fees in December 2016 and those fees went into effect April 2017. As mentioned above all Fort Worth wholesale customers are required to collect the fees. The table below indicates the new Fort Worth impact fees and the incremental increase planned for the next 3 years starting with this year.

| <u>Year</u> | <u>Fort Worth Impact Fee</u> |
|-------------|------------------------------|
| Existing | \$921 |
| April 2017 | \$1,548 |
| April 2018 | \$2,175 |
| April 2019 | \$2,802 |



April 2020

\$2,802

These are the Fort Worth total impact fees that will be collected for each $\frac{3}{4}$ inch meter installed within the city of North Richland Hills for both water and wastewater. Attached are Schedules 2A through 2C which indicate the breakdown of the total fee between meter size, water and wastewater. In addition the 3 schedules show the incremental increases for the next three years. Each schedule represents a different year.

Also, Attached is a table which indicates the NRH and Fort Worth impact fees as well as other fees associated with the city's water and wastewater system.

The action that is being requested from Council is to approve the amendment to the fee schedule in Chapter 110, Article XIX, Impact Fee, Appendix A, Fee Schedule to reflect the Fort Worth revised impact fees. The Wholesale Water and Wastewater Agreement (the "Agreement") requires all wholesale customers to collect all Fort Worth impact fees and transfer those funds to Fort Worth. In order to continue as a wholesale customer, the Agreement requires North Richland Hills to approve the amended impact fees.

RECOMMENDATION:

Approve Ordinance No. 3467.